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THE ECONOMIC REVIEW

VOLUME VIII

THE
ECONOMIC REVIEW

PUBLISHED QUARTERLY

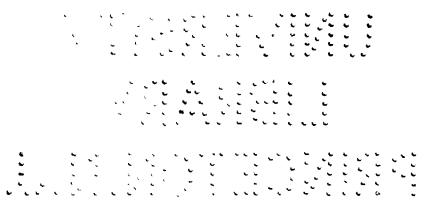
FOR THE OXFORD UNIVERSITY BRANCH OF
THE CHRISTIAN SOCIAL UNION

EDITORS

REV. J. CARTER
REV. H. RASHDALL
H. A. PRICHARD

VOLUME VIII

RIVINGTONS
KING STREET, COVENT GARDEN
LONDON
1898



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THE QUANTITATIVE THEORY OF MONEY.

IN the chart showing the progress of the world's annual gold production published by the *Statist*¹ we see the indicator line, after fluctuating during thirty years between twenty and twenty-five millions, shoot upwards in 1890, at a steep gradient, reaching forty-five millions by the end of 1896. If, at the same time, we turn to a chart showing the course of the prices of commodities, such as that in Mulhall's *Industries and Wealth of Nations*, we see the line shooting downward during the same period at a gradient hardly less steep. The facts are a strange comment on the current doctrine that the prices of commodities, as measured in gold, are indissolubly bound up with the supply of gold in the world, and must rise as it rises and fall as it falls. The problem which they present is, at the present moment, at once the most puzzling and the most interesting within the range of economic science. In spite of the miscarriage of prophecies in the past, prophecies similar to those that have miscarried continue every day to be given forth. When temporary and occasional causes have exhausted themselves, we continue to be told, the increase in the quantity of money will not fail to produce its necessary effect. The price of commodities will at last start upwards. Before, however, we again give a too hasty assent to such a prophecy, it may be worth while to look anew at the subject from the side of theory, and to ask ourselves whether there is any flaw discernible in the reasoning which has made us conclude that a state of things should come about which is so widely different from that which actually has come about.

In the first place, it is worth while to point out that it is not always and everywhere that theoretical considerations have

¹ Sept. 25, 1897.

led writers on monetary questions to affirm the self-evident connection between an increase of money and higher prices for commodities. Sometimes, indeed, on the contrary, they have seen in some forms of the increase of money a necessary cause, not of higher, but of lower prices. Mr. Gilbart, in his *History and Principles of Banking*, for instance, has occasion to reply to the charge that, as he says, has often been preferred against banks of circulation, that, by an increased issue of their notes, they cause a general rise in prices. He remarks that on the contrary, "*In the ordinary course of business*" (the italics are his own) "the issues of the banks tend not to advance but to lower prices." His reasons for the opinion are given as follows:—

"The banks, by advancing capital on lower terms than it could be otherwise obtained, diminish the cost of production, and consequently the price. The banks still further reduce prices by destroying monopoly. In towns where there are no banks a few moneyed men have all the trade in their own hands ; but when a bank is established other people of character are enabled to borrow capital of the bankers. Their monopoly is destroyed, competition is produced, and prices fall."

If this applies to an increase in the issues of banks, is there any reason for maintaining that it does not apply to an increase in gold, on which, in the long run, an increase in bank issues depends ? Mr. Gilbart himself alludes on the next page to the increased issues as an "increased quantity of money," and observes that—

"if this increased quantity of money raises the demand for commodities beyond a certain point it will advance the prices, but if it increases the supply it will lower the prices."

We are here presented with a theory very different from that which affirms the necessary connection between increases and diminutions in the quantity of money and rises and falls in prices. The bimetallist majority of the recent Royal Commission on Agriculture seem never to have dreamt of the possibility of such a suggestion. They begin their sixty-fifth paragraph with the words—

"If it be true that an increase of money raises prices and a diminution lowers them—and we are not aware that any one disputes that proposition, etc."

Mr. Gilbart's line of reasoning, however, plainly leads to a conclusion of a very different character from this. His doctrine clearly is that an increase in the quantity of money is in itself a fact from which no conclusion can be drawn in regard to prices. Before we can draw any such conclusion we must know what is to become of the new money. Its expenditure may be so directed as to raise prices, but, on the other hand, it may also be so directed as to lower them. If that view can be sustained, not only would the bimetallist position have to be reviewed, but the admissions of such monometallists as Sir Robert Giffen, that the diminishing price of commodities, as shown by the fall in their index numbers, is an infallible indication of the increasing scarcity of the substance of the monetary standard, would have to be reviewed also.

At the very start of an inquiry as to whether fluctuations in the price level of commodities are absolutely ruled by fluctuations in the quantity of money, we are met by the objection, "But can there be any doubt about it? Is not a fluctuation in the price level of commodities another word for a fluctuation in the quantity of money in circulation?" The first reply to be made to the objection is that it takes for granted something which is startlingly different from fact. It takes for granted that "commodities" are synonymous with "everything purchasable." Unless they are so, there can be no self-evidence in the assertion that the index numbers indicate also the purchasing power of gold. So far, however, from being synonymous with everything purchasable or being at all near it, "commodities," as they are called, represent only a small fraction of the total transferable wealth of the world at any moment. By the very nature of the case they are confined to such things as are quotable at per pound or per bushel, and they necessarily exclude all such forms of wealth as land, ships, houses, railways, furniture and such like. In England in 1875 "commodities" were about £577,000,000 in value, while the total "national inventory"

was between eight and nine thousand millions in value; that is to say, "commodities" were one fifteenth of the whole. Professor Nicholson, himself a strenuous bimetallist, furnishes these figures. It may, perhaps, be replied that, though the proportion borne by "commodities" to the total of transferable wealth is a small one, nevertheless their fluctuations may fairly be taken to represent the fluctuations in the value of this total. This view, however, is met by the entirely insuperable objection that the cheapening of any one important commodity means necessarily the liberation of more money than was formerly available for expenditure on other things. Mr. Bagehot thus traces the sharp rise in the prices of most of the leading articles of trade that took place during 1871 to the fall in wheat which occurred in 1869 and continued during 1870. If, however, the natural result of the cheapening of one article of consumption is to liberate money for expenditure on other articles, it is a plain absurdity to maintain that the cheapening of things that constitute one-fifteenth of the world's wealth necessarily involves the cheapening of the other fourteen fifteenths also. It would seem much nearer the mark to maintain the very opposite—that, if we knew where to look for it, we should find the effect of the liberated money in the rise in value of some form or other of transferable wealth. There is, however, another alternative yet, and that is that its effect may be found in the calling into existence of new wealth,—wealth which either did not exist at all, or which was not wealth, before.

In the view of the bimetallists, and of a good many monometallists, a fall in the price of any commodity and an "appreciation of gold" in respect to it are expressions that are taken to be "in effect synonymous." If the doctrine were valid, there could be no conceivable case in which we could have the one without the other. Let us take a concrete instance, and inquire by means of it whether such a doctrine can be valid. A purely hypothetical case will serve our purpose as well as any other. Say that during one year, call it the year 1900, wheat was 35s. a quarter in London, and that, during the next year, it was

only 30s. a quarter in the same place. We should all say that it had fallen 5s. in the interim, and most of us would probably admit, at first sight at any rate, that gold must have appreciated by precisely 5s. a quarter with respect to it. Let us suppose, however, that, during the first mentioned year, its price was 30s. a quarter in the locality or localities where it was produced, that it cost 2s. 6d. a quarter to land it in London, that the London importer made 2s. 6d. a quarter by the sale of it, and that it all passed into consumption at prices for flour calculated on that basis. Clearly, so far, no appreciation of gold occurred. On the contrary, that particular wheat, before it was consumed, had appreciated by 2s. 6d. a quarter as compared with the gold given, in one shape or another, for it. Come, again, to the next year, and let us suppose that, solely owing to some reduction in the cost of production or transport, to the construction of a new railway, perhaps, or the invention of a new reaper and binder, wheat was able to be sold at the locality where it was produced at 25s. a quarter, the farmer obtaining just the same profit as he had obtained during the previous year; that it was again brought to London at the cost of 2s. 6d. a quarter, and again all sold and passed into consumption at prices representing a net profit of 2s. 6d. a quarter to the importer, that is to say at 30s. a quarter. Then, again, there was no appreciation of gold as compared with wheat during the second year either. On the contrary, there was again an appreciation of the wheat as compared with the gold given for it. Where, then, did the appreciation of gold come in? You answer, perhaps, "No doubt gold did not appreciate with respect either to the special wheat of 1900 or to that of 1901, but it appreciated with respect to wheat in general." Is not your "wheat in general," however, something suspiciously like the "men in general" and "things in general," the *substantiae secundæ* of the mediæval realists? The truth is that the sequence, "If wheat is down as compared with money, then money is up as compared with wheat," would only be axiomatically valid if the wheat of the second year was the very same wheat that was in existence during the first; and the idea

that the commodities of one year are either the same as the commodities of the next, or else that they hand down their identity to them like the members of a perpetual corporation, is an idea that seems to run continually in the minds of the quantitative theorists. We find Professor Walker, for instance, remarking, in regard to the system of comparison by means of index numbers—

"The aggregate price of the *same* articles, in the same quantities, in the same market, at dates earlier or later affords a comparison which is supposed to determine with a reasonable degree of accuracy the appreciation or depreciation of the money used in that market."

But if the articles are not the same, but only the, perhaps, remote descendants of the same articles, does that make no difference? In economics the great necessity always is to get a perfectly clear conception of the meaning of the terms we use, and to make sure that we never pass unconsciously from one meaning of a term to another. Take, then, the term "Appreciation." If a given weight of one commodity, say of gold, had since 1870 appreciated as compared with a given weight of another commodity, say silver, it would then be true that the given weight of silver had depreciated as compared with the given weight of gold. It would also necessarily be true that the man who since 1870 had kept his gold and refused to make the exchange for silver would have done better than the man who had consented to make such an exchange. But when we put "commodities generally" in place of silver, the same sequence does not hold good. No one could maintain that the people who have kept their gold in their pockets since 1870, if there are any such people, can have come out better on the average than the people who bought commodities of some sort or another with it—that is to say, than people who invested it in any way. The truth is, that if we regard the substantial identity, at bottom, of commodities and services, the fact that it is the same thing whether I buy a pair of boots or whether I pay the shoemaker for the time spent in making them, it seems clear that, instead of gold having appreciated as compared with commodities

generally since 1870, commodities generally must, on the average, in their day, between the date of their production and that of their consumption, have appreciated more or less as compared with gold. If it had not been so, there could have been no average rate of profit in the world, and then, of course, no average rate of interest; and commerce and production would long ago have stopped dead. An appreciation of gold as compared with commodities generally is, in truth, something that only happens during a panic.

There is a well-known and often-quoted passage in Mill in which he lays down the doctrine that while the price of commodities may be determined either by the actual or by the potential supply, it is the actual supply only that determines the value of money. It is worth while, however, to inquire what is meant by the words "the actual supply." There is no ambiguity about the matter if we look at it as regards a past transaction. If in any market 10,000 quarters of wheat are sold at 25*s.* a quarter, this 10,000 quarters constitute the "actual supply;" and any other wheat, even if it should chance to be stored in the same town, which was not sold, though its owners would have sold it if its price had gone up to 26*s.*, is not to be reckoned as "actual supply." We are thus forced to conclude that the actual supply is something that we know nothing about *till the price is fixed* and the transaction is over; and it plainly will not do, therefore, to say that it is that which fixes the price. It is clear, on the contrary, that that which determines variations of prices (is (leaving demand out of account), always and only, variation in the potential supply, together with their recognition by buyers and sellers, and with the action taken on such recognition. The news of a deficiency in the crop of some important grain-producing country, for instance, gets wind. Sellers raise their prices, and buyers raise their offers to meet them. We always, in the real world, look for the explanation of a rise or fall in prices not only in quantitative variations of some material, but in human recognition of these variations, and in the play of well-known human springs of action in regard to them. The explanation always involves psychological data.

As the Austrian economists put it, objective values are always an extension of subjective values. Mr. Mill himself has occasion, in one passage, to observe that the only values with which political economy is concerned are values that are fixed by competition. Values fixed by custom are, of course, those that he means to leave out. When he gets to monetary questions, however, he gets into a region where his values do not seem always to be fixed either by custom or by competition, but, in some mystical automatic fashion, by augmentations and diminutions of quantity. We look in vain for the psychological factor. Mr. Newmarch formulates the quantitative theory in so many words, holding that money operates on prices neither by demand nor supply, but "by reason of an augmented quantity." Professor Cairnes, however, records his emphatic dissent from such a doctrine.¹ The fallacy lies in thinking that, in political economy, which is essentially a mental science, human beings are to be treated as algebraical symbols. We see this, I think, very clearly when we attempt to apply Mill's conception of the actual supply, as affecting values, to the value of money itself.

What corresponds, in the case of money, to the "actual supply" is what is called the "circulation." Sometimes the word "currency," and not unfrequently even the word "money," is used as synonymous with it. In Professor Walker's opinion, for instance, money which is not actually in circulation is not, strictly speaking, money at all.² Looking back at the past, we can say clearly and definitely, that, supposing the amount of goods and transactions in any market to remain the same, the greater the circulation, that is to say, the greater the amount of money that is found to have changed hands, the higher must the average of prices have been. To say, indeed, in such circumstances, that the circulation had increased, is merely another way of saying that prices were higher. To take the simplest possible case, supposing there to be 1000 quarters of wheat in the market, and only one transaction, then, no doubt, if the circulation—that is to say, the money that had changed hands—was found to have been £3000, prices must have been higher than they would have

¹ Cairnes, *Essays*, p. 57.

² Walker, *Money*, p. 407.

been if the circulation had been found to have been £2000. In the first case, they must have averaged 60s. a quarter; in the second, 40s. But we can only speak rationally about the matter in the "must have been" and "would have been" moods and tenses. If you say, "Increase the circulation, and you will increase prices," you find you might as well say, "Raise prices, and you will raise prices." You are brought face to face with a difficulty that, putting an increase in the number of transactions out of account, nothing but a rise in prices can possibly increase the circulation. This truth was clearly seen and strongly set forth by Mr. Tooke, Mr. Wilson, and Mr. Fullarton, during the currency controversies to which the Act of 1844 gave rise. These controversies are well worthy of attention in connection with questions that are burning ones now. The true relations between the quantity of money and the prices of commodities have never, I think, been so instructively investigated since. Mr. Horner had laid down the principle in 1802 that—

"if the quantity of the circulating medium is permanently augmented *without a corresponding augmentation of internal trade*, a rise will unavoidably take place in the prices of exchangeable commodities."

Mr. Wilson, in commenting on the passage, remarks that what was in Mr. Horner's mind was an increase of inconvertible paper, that you can, no doubt, find instances in abundance of prices being raised by excessive issues of inconvertible paper, but that they are "nominal" prices only. If, on the contrary, you attempt to raise "real" prices by issues of convertible notes, you find it cannot be done.

"A currency augmented without any corresponding increase of internal trade," he says, "implies a quantity of notes retained in circulation at the will of the issuers which the public do not require. Now, the public do not receive notes from a banker without paying interest for their use; and however low that may be, they will take no more than they absolutely require—nor do they retain notes in their possession beyond what the convenience of trade requires, and, therefore, if issued in excess of that quantity, and, if convertible, a portion would be instantly returned upon the issuers. Nor can we conceive any means whatever by which the circulation could be so augmented."

It is also Mr. Tooke's opinion that—

"the prices of commodities do not depend upon the quantity of money indicated by the amount of bank-notes, *nor upon the amount of the whole circulating medium*, but that, on the contrary, the amount of the circulating medium is the consequence of prices."

The true reason, it seems, then, why banks cannot raise prices by increasing their issues of convertible notes is that such notes can only be made to circulate in as far as they contribute to the augmentation of internal trade; and when they do that, they balance their own increase by assisting in bringing about an increase in the volume of commodities. Surely, however, this line of argument applies to real money in any other form, as well as in that of convertible notes. Business men will no more take sovereigns from their bankers than they will take notes, unless they can turn them over at a profit—that is, unless they can, in one way or another, increase the volume of commodities by means of them; and if men in business do not take them, they will lie in the vaults of the banks, and will not affect prices in any way. We come back to the principle that we found underlying Mr. Gilbart's reasoning, that it is not the increase of money in itself that we have to look to if we wish to ascertain whether prices are likely to be raised or lowered by it. We must know what is being done with the new money. When Alexander distributed the gold stripped from the temples and palaces of Susa among his soldiers, or when an Elizabethan buccaneer seized a Spanish treasure-ship, there was probably little else that the soldiers or the sailors could do with their new money except to expend it on commodities already in existence, and thus to raise their price. When the produce of African or Australian mines comes home nowadays, the case is different. It finds its way first into the vaults of the Bank of England, and practically only gets drawn out and passes into circulation in as far as it is engaged in increasing the production of commodities, and in thus balancing its own increase. It may do more even than balance its own increase. If the issues of a bank, as Mr. Gilbart maintains, often so stimulate supply as to lower prices, how can it be denied that an increase of the gold on which such issues are

based may do the same ? As long as gold bears interest, as long as a profitable use can be made of it in production, there can be no good reason for affirming that its increase in the world will be accompanied with a rise in the price of commodities. Nor would it be safe to predict that if it ceased to bear interest, and yet continued to augment, then the price of commodities would go up. In such an event, the only way of making provision for the future would be to hoard money, and the increase of hoarding would, of course, in so far curtail the demand for commodities.

This line of reasoning, it may be said, may be effective as an answer to the theory of an automatic and mystical connection between the quantity of money and the price of commodities ; but how about the fact that discoveries of gold in South Africa increase the purchasing power of people in Johannesburg, and discoveries of gold in Western Australia increase the purchasing power of people in Coolgardie ? Will not this tend to raise prices ? It will have the same effect, it must be answered, as the production of new wealth in any other shape would have. The demand of Johannesburg or Coolgardie will not differ in any respect, except in that of being much less important, from that of Chicago. If the effect of additions to the wealth of the world were necessarily to be to raise the prices of commodities, then the price of commodities would always be rising, as the wealth of the world is always increasing. Whether there is an increasing scarcity of gold or not in the world, no one contends that there is an increasing scarcity of purchasing power, in the shape of other wealth. Yet, in spite of this continuous increase of purchasing power, prices, we know, are not rising. No doubt the natural effect of the emergence of a city that owes its existence to gold is to increase the effective demand for everything but gold, as the emergence of a city that owes its existence to petroleum would be to increase the effective demand for everything but petroleum ; and if, in either case, the supply of the things for which the increased demand arises were a constant and unalterable quantity, if the things themselves remained always the very same things, then, unquestionably, their prices

would rise. When the things on which the new demand plays, however, are commodities producible *ad libitum*, such as are all those to which the index numbers apply, the case is different. As the world is constituted, it is only an immediate and sudden demand that is likely to be connected with a rise in their price. A constant and steady demand, lasting over a number of years, is much more likely to be connected with a fall in their price, as it is likely to make it worth the while of the capitalists to undertake their production on a larger, and, consequently, on a more economical, scale.

The current theory, then, it seems is based on the confusion of two things which are essentially distinct—the immediate effect of the sudden increase of purchasing power, whether in the shape of credit or of gold, and the ultimate effect of its steady and normal increase. In the case of credit we are all familiar with the effect of inflations on general prices. It is to send them rapidly upwards. The effect of the normal increase in the use of credit as a substitute for, or as an addition to money, however, is the very opposite. Mr. Bagehot points out, in words not very dissimilar from those above quoted from Mr. Gilbart, how it stimulates competition and leads to the cutting of prices. A man with a capital of £50,000 wants 10 per cent. on his money if he uses it in business, that is, £5000 a year. A man with £10,000, who borrows £40,000 by discounting his bills, would, if he made 10 per cent. on the total capital he is using, probably make about 30 per cent. on his own £10,000. He does not need to make 30 per cent., however, and so can undersell the conservative capitalist, and thus lower prices. The same thing applies to the increase of purchasing power in the shape of new gold. Its immediate effect might be, if the amount suddenly discovered were very great indeed, to cause a rise in prices. When, however, it had had time to fertilize the sources of supply, and to bring fresh commodities into existence, its natural effect would be, like that of the normally increased extension of the use of credit, to cut prices down.

The conclusions to which the foregoing considerations lead may be summarized as follows:—

(1) The increase of interest-bearing money, in a community, or in the world generally, does not tend to raise prices, because money, in order to bear interest, must be engaged in increasing the supply of commodities.

(2) The increase in new money seeking investment, which would be the natural ultimate consequence of an increase in gold production, is something that in itself tends to facilitate lending, to stimulate competition in production, and thus to lower prices.

(3) At the same time, the temporary effect of an increase in gold production, if such production is being undertaken on a sufficiently extensive scale, may be to draw away so much capital and labour from the production of commodities as to diminish the supply, for the time being, and to raise their price. This cause, no doubt, co-operated, between 1850 and 1873, with the occurrence during that period of all the great wars of the century in bringing about a scarcity of certain commodities, and a consequent enhancement of their price. Whether the general price-level of commodities was even then raised, however, seems open to question. Professor Nicholson, for one, maintains that it was not. The broad fact confronts us, at any rate, that the annual gold production has been increased from two millions to nearly fifty millions since the beginning of the century, and that prices have fallen by more than one half. In these circumstances, it would be rash to maintain that an increase to a thousand millions annually during the coming century would raise them.

I know that, for this *Review*, the main interest of economical problems lies in their ethical aspect ; and we may well concede, with the most practical of modern economists, Professor Hadley of Yale, that no economical doctrine that runs counter to the ethical ideal has ever proved to be anything but a fallacy. If it were true, however, that every fall in prices meant an appreciation of the monetary standard, it would follow that the fall was something that necessarily worked injustice, and something which legislation ought in every possible way to counteract. This, indeed, is the view of most if not all of the bimetallists. Stability of prices is their ideal. But then the great salutary

fact of our modern civilization is the fall in price of the necessaries of life and of the luxuries of the poor, without a concomitant fall in their wages. The Austrian economists, with their love of far-reaching generalizations, base on the fact the dream of an era to the conditions of which we are approaching, when exchange value will as little be predictable of food as it is now of water and of air. That perhaps is no better than an idle fancy; still surely their ideal is a higher as well as a truer one than that of the economists who would, if they could, maintain all prices at their present level, and would bring to bear the resources of the State to work against every reduction.

WILLIAM W. CARLILE.

AN ITALIAN SOCIOLOGIST IN NORTHERN COUNTRIES.

IT is a well-worn truth that he who may most easily observe phenomena accurately and estimate their tendency correctly is the man who is indeed interested in the phenomena he studies, but is not swayed by interested motives. And the danger escaped by means of such an impartial indifference is the greater when the interest of the motive is the intellectual interest of the triumph of some theory, and not mere personal advantage. Partisanship, it is true, is an essential precursor to change and movement, as intensity of belief is to proselytism. But to be of any value, nay more, to avoid being influences for evil and not for good, such partisanship and such intensity of belief must be preceded by careful and impartial observation. And that observation is both careful and impartial under two conditions only. Interest in the objects of study must be, at least temporarily, combined with indifference as to the results of study. It need hardly be said that this indifference may cease here, and not extend its influence to check action which may be consequent upon those results of study.

This combination of interest and indifference is peculiarly difficult to acquire in the study of sociological phenomena. It is always hard to take an interest in other men's troubles and to be indifferent to our own, even temporarily, for the sake of quiet and unbiassed research. And yet research must be based on interest and preserve a rigorous indifference to consequences. An even temporary combination of these qualities of thought is not easy when the very data of research take the form of problems which thrust themselves upon our daily notice, and clamour even aggressively for an immediate solution, which is impossible. Therefore sociology bears to history much the same

relation as theology to philosophy in its greater exposure to the temptations, dangers, and snares which infest the path of research.

Difference of race and diversity of temperament, these are great aids to the acquisition of this scientific indifference. If an Englishman studies the sociological conditions prevailing in a foreign country, he almost inevitably feels a greater indifference to the results of his study than would be the case were he concerned with those of his own land. If an Englishman studies those foreign conditions not immediately but mediately, there is a greater chance still for the acquisition of the necessary indifference. And if, thirdly, he who is the medium of the foreign observations be himself foreign, not only to the Englishman, but also to the land to whose condition he is directing the Englishman's attention, the opportunity for cumulative indifference can hardly be surpassed. It is possible that the second necessary partner to the contract may suffer, viz. the interest to be felt in the objects of study. In proportion, however, as enthusiasm is more infectious than nonchalance, and there is greater probability in two students of the same subjects sharing a common taste for that subject than a common distaste, for an Englishman to study the results of an Italian sociologist's researches into the social conditions of countries foreign to both alike seems an almost ideal opportunity for the display of that combination of interest and indifference which, as has been said, is so essential to research. Of course there are dangers as well, of a twofold chance of misrepresentation, of misunderstanding, of hasty generalization, misdirected criticism, shallow observation, all in duplicate. Yet, at least as supplementary to immediate study of home-grown conditions, it may not be time misspent to consider the growth, for instance, of Socialism in Germany and a peculiar form of Russian co-operation, as described to us in, what is in Italy the book of the year, *L'Europa Giovane*, written by a pupil of Cesare Lombroso, Guglielmo Ferrero.¹ The writer's series

¹ *L'Europa Giovane: Studi e viaggi nei paesi del Nord.* Di Guglielmo Ferrero. [Fratelli Treves. Milano, 1897.]

of sketches is always brilliant, and often also suggestive. But the two subjects above named may claim the greater part of our attention.

Two great political powers, then, according to Ferrero, stand face to face in Germany to-day, Militarism or "Bismarckism," and Socialism.¹ The former of these is the earlier. Both, indeed, are alien to the innate temper of the German people, which has ever delighted rather in the peaceful acquisition of goods by trade than in grasping after either foreign possessions or a readjustment of property. But, beguiled by the greatness and the strangeness of a new imperial idea, the people embraced it to the detriment of their well-being and the increase of their reputation. That they were so persuaded, however, was due to the commanding influence of one great man, who prevailed upon them in virtue of the exotic character of his genius and his singularity. For this is the "Law of singularity":—

"Almost all great political leaders possess an intellectual and a moral character which is peculiarly their own, i.e. is alien to the character of the people they govern. And it is precisely to this diversity of character that they owe their success. For inasmuch as their qualities are those the nation lacks, while the national failings are unknown in them, they can exert a powerful influence over their fellows, and are admired and followed because they are thought unique."

Many illustrations there have been of the working of this Law of Singularity, as Mazzarin, Napoleon, Cavour, Parnell. In like manner, Bismarck has been able to influence the German people so powerfully and divert them so successfully from their wonted placid course of life and idea. For Bismarck is no German. Intellectually he is a foreigner, and the qualities to which he owes his great triumphs are alien to the Prussian character. The two chief of these are, firstly, his practical anti-doctrinaire temper, which despises the national fondness for idealism and theory, and secondly his versatility. Thanks to these his great and (in Germany) singular qualities, he has imposed his will upon the amazed people. Militarism is the dominant power. "L' Impero tedesco è nato veramente dall' illusione atavica di un Carlo Magno in ritardo."

¹ "Bismarckismo e Socialismo," op. cit., pp. 8-120.

The results of this imposition of an alien idea upon the people are disastrous. The German Empire to-day seethes with discontent. The Junker agrarian party, the mercantile bourgeois, the Catholics—there is no party but has its reasons for grumbling. And inasmuch as the demands of each seem fatal to the satisfaction of those of any other, the onlooker might well think a peaceful solution of these difficulties well-nigh hopeless. But far above all the other perplexities of the German Government is the alarm caused by the rapid increase of Socialism.

To its opponent, Militarism, Socialism owes directly its origin, and also, in part, the rapidity of its success as a propaganda. The rigour and the hatred of its one irreconcilable foe have caused its birth and nourish its growth. Immense indeed has been the development of Socialism in Germany in recent years.

“German Socialism is a veritable State in itself, with great ministers and huge budgets. It is administered in truth so ably that well would it be with the Italian Government did it possess an administrative system as well ordered as that possessed by the party of disorder in Germany.”

The chief ministry in this Socialist State is that of public instruction, *i.e.* the organization of the propaganda by means of the Socialist press. In 1894 the party was represented by thirty-seven daily papers, and thirty-seven others, appearing at intervals varying from once a month to three times a week. These were directly political. There were also fifty-three trade journals professing the Socialist creed. Though the *Vorwärts*, the organ of the central government, was founded but some dozen years ago, yet it prints an impression of 50,000 copies, and in the year June 30, 1893, to July 8, 1894, boasted 45,000 regular subscribers, and made 47,500 marks profit. Other Socialist papers, such as *Die Neue Zeit* of Stuttgart and the *Suddeutscher Postillon* of Munich, have a large circulation. Attached to the *Vorwärts* is a publishing office, which sells Socialist works of every kind, and the profit on this enterprise realizes an increase of about 10,000 marks a year. The central treasury of the party showed

for the year October 1, 1893, to September 30, 1894, an income of 330,877 marks, and an expenditure of 332,378. About one half of the income is contributed by members of the party, while a seventh part is due to the profits on the *Vorwärts* alone.

Such a treasury and such a press imply naturally, says Ferrero, a bureaucracy to administer the affairs of the party. This is very precisely constituted. All officers of the party are paid by the party, "if not richly, at least decently." The greatest payment seems that made to the editor of the *Vorwärts*, who receives 7200 marks a year. The Socialist deputies in the Reichstag, about fifty in number, cost their party annually over 18,000 marks. These naturally are the most important posts open to members of the party, but very many others there are of every grade of importance. Every Socialist paper, for instance, provides employment to Socialist workmen. From the lower grades the more able and ambitious can rise to the higher, and even in time hope perhaps to wield an influence in the party akin to that enjoyed by Herr Bebel, himself one of those who earn their living by manual labour. In fact, Socialism in Germany is not only a campaign: it is a means of livelihood, a career.

And this is the second cause of its rapid success. Originating in discontent, increasing by reason of the hatred of Militarism, it is popular also as offering a means of livelihood and independence to the worker.

If Ferrero implies some criticism in this remark, it is not necessary for us to follow him in this. It is perhaps no ground of censure that Socialism in Germany succeeds largely because it is based, not on sacrifice, but on interest, "not on self-denial in the individual, but on remuneration for his labour." The paid agitator is despicable only when he secretly disbelieves in the objects he professes in his violent crusade to recommend. If a man's work, whether in speech or management or handi-craft, serves for the good of his party and the advancement of the ideals in which he firmly believes, there results a double advantage if that man is paid for such work. The party is benefited; its champion encouraged and stimulated. That it

pays to be a Socialist, and pays in hard cash, is not *per se* any condemnation of Socialism, while it certainly encourages the spread of its tenets. Ferrero sums the matter up bluntly enough: "To found a party on heroism is like entrusting an expedition to the North Pole to the caprice of a poet. Heroism makes revolutions, not revolutionary parties." What company of men will continue to pursue purely human ideals if they involve perpetual self-sacrifice and discomfort, with no prospect in view of a change for the better?

In the future of German Socialism Ferrero has no very firm belief. Both it and its great foe Cæsarism, he maintains, merely prove the country to be but in its "political infancy."

"The surest proof that a country has attained its political maturity is the difficulty a great man of alien ideas finds in endeavouring to impose his will on the people, disturb the normal rhythm of their life, stay or divert the natural course of their evolution."

Germany's true mission is to be "Il formicario centrale del Mondo." When Cæsarism gives place, as it is bound to do, to this, with it will perish that Socialism which to-day exists in the main as its antagonist and necessary correlative in opposition.

And Ferrero has still less expectation of any practical realization of the German Socialistic ideals in the future when he compares these with English Socialism. To the Italian observer, enamoured of neither, the contrast between the two Socialisms, the English and the German, seems a striking one. The former, he says, is rather a means to an end than the object of ultimate desire. It is a political engine, whereby to secure definite material or moral advantages. The English proletariat fixes its attention on some very practical end to be gained, such as higher wages, a shorter working day, or even an increase of political power. If a portion of it professes a Socialistic creed, this is because it believes the institution of equality will be the best means of attaining those ends. On the other hand, German Socialism, despite its very practical and definite existence, remains a creed, a theory, an ideal. The German Socialist devotes his energies to its propaganda as an ideal, a theory, a

creed—in fact, as an end-in-itself. Therefore, he has the smaller chance of ultimate success.

Perhaps the distinction thus drawn by Ferrero is not very clear, nor the division, for practical purposes, very sharp. If there be justification for a contrast of the kind between England and Germany, surely it lies in this: not so much that the Socialisms themselves differ, as that the power of attraction of possible rivals and alternatives to Socialism over the workers of either country varies considerably. It is not that the theories of Socialism differ. It is not even so much the case of a practical opposed to a merely speculative syllogism. The premisses in both cases alike are the natural equality of man and the common right to enjoyment, and the recognized inclusion of any particular individual for this purpose under the general category of man. The point at issue lies in the major premiss and its application. Granted even for argument's sake the common right to enjoyment, can it be practically recognized only by a previous acceptance of the doctrine of the natural equality of man? If the German inclines more readily to assent to this last proposition than the Englishman, it is this, rather than a sharp contrast in the theories of Socialism in the two countries, which may serve at present to differentiate their aims. That this in any case is the right basis of Socialism remains of course open to serious question.

From the troubles of life in Germany, from the noise of London, with the all-absorbing greatness of its business life and its bewildering immensity, "where there are to be found men who know the Himalaya, but have never seen Haverstock Hill,"¹ to turn from all this to the sacred city of Moscow² is, as it were, to leave the crowds of the Venezia Piazza in Rome for the silence of the Gesù church, or the stir by the Pantheon for S. Maria. Moscow is the one holy city, says Ferrero, still left in Europe. True it is also a city of crowds, of thronging business men, and money-making. Yet—

"Moscow remains a vast Oratory, where, from morning till evening, a million of men are praying in churches, houses, shops, roads, squares;

¹ Op. cit. "Londra," pp. 217-248.

² Op. cit. "Mosca," pp. 249-312.

a city where the people's lives are like our own, yet every act is accompanied at almost every instant by some religious ceremony—a prayer murmured in haste, a sign of the cross, the head bowed, the knee bent.

Ferrero's sketch of Moscow, indeed, is a most vivid picture of a city and its life. The power of visualization is one of the most important elements in the art, not only of fiction, but also of all writing, and even of oratory ; and the Sociologist displays this in his writing, as his great contemporary, d'Annunzio, does in fiction. The "Euthanasia," as he calls it, of the Slav, his contempt of pain and death, his "dourness," his well-balanced resignation and patience, his calm persistency, these are features of the Russian character—alien, indeed, to the Latin, if shared to some extent by the Teuton. And they find characteristic display in social conditions. "The man most resigned to death when it comes must needs labour while he wishes to remain alive." Moscow, the industrial centre, exists in the heart of Moscow, the holy city. And as unique as the "Russian philosophy of Death expressed in Religion" is the industrial system.

Two features of this claim especial attention. The one is what may be called the monastic system of industrial life ; the other is that form of Patriarchal Communism displayed by that strange Russian institution, the "Artel."

The Russian workman in a factory is under a monastic discipline.

"I visited," says Ferrero, "a silk manufactory, employing from four to five thousand hands. The employer lodges and feeds them. He provides for them dormitories and refectories. A strange sight are the dormitories, each of which contains from two to three hundred beds, arranged in two rows, as in a hospital, with a broad gangway between. There are dormitories for men, and others for women. In each the walls above the bed-heads are studded with sacred images. To a given number of beds one table is assigned, and on every table is a great *samovar*, for making tea. Besides these dormitories for the unmarried of both sexes, for families there exist great barrack-like buildings, each with rooms for a hundred and twenty families, and a common kitchen. . . . The single workers eat their meals together, and these are supplied them by their employer—soup in the morning, soup and meat

at mid-day and at evening, black bread at four o'clock. The whole of a worker's life is regulated by the sound of the bell—when to rise, when to work, when to eat, when to sleep. A manufactory resembles a college, a barracks, a convent. The uniformity and mechanical regularity of life, which will, according to some, be the curse of the Collectivism of the future, exists to-day in the full glare of Capitalism among the Russian artisans."

This monastic system prevails with greater or less completeness in all the manufactories of Moscow.

"Some employers administer it humanely and honestly enough. Others display a greed which has forced the Government to interfere, and enact laws for the protection of the workman, such as that prescribing the number of cubic feet of air to which every workman is entitled in the bedrooms.

"Certainly" (Ferrero continues with emphasis) "these workman-monasteries form one of the most accursed inventions of the oppressive spirit of man."

For nothing is left the worker which he may call his own—neither time, nor home, nor thought. He may not discuss politics—Government forbids. He may not think concerning religion—The Church prohibits. Finally, he has no private and personal affairs in which to display interest. All is arranged for him by his employer beyond the power of question. He lives, he works, he eats, he sleeps. *Voilà tout.* In fact, he is the nearest realization of the Aristotelian *κτῆμα ἐμψυχον* that Europe has ever seen. In Western Europe the man uses the machine. In Eastern Europe the man is the machine.

Are we surprised that the workman, under these conditions, as described by Ferrero, does not protest, revolt, turn on his master? that strikes are, as he tells us, few, far between, and usually unsuccessful? After all, there is not much reason for surprise. Thought which is fatal to passive and bovine obedience may be stimulated either by lack of the necessities of life and the falling short of some recognized standard of comfort, or, more hardly, by urging and exhortation from without. Now the Russian workman has food and shelter, and enjoys the traditional measure of comfort of his class. He has neither

political teachers nor the opportunity for acquiring such teaching, viz. discussion. Discussion presupposes some independence of life, some independent organization, some desire for change. How can these exist, or, if they exist, become articulate, in the Russian workman-monasteries ? One of the greatest of our own social problems is due to the apparent impossibility of organization for trade purposes among women. This is but one of the reasons for the present condition and manner of life of the Russian workman. Small chance indeed would there have been of the Israelites escaping from the Land of Bondage had there been neither leader, nor the possibility of a leader, nor the recognition of Egypt as a Land of Bondage at all, nor the means of creating such a recognition ; if there had been plenty of food to eat, adequate shelter, straw for the bricks, nor any desire for change.

Indeed, to return to Ferrero's account, if by any chance the Russian employer does not thus regulate his workmen's lives, these are so enamoured of the system that they combine to form voluntary associations for the purpose of a common purse and a common table. These voluntary associations are known as the "Artel." Each group elects a president, "who bears the patriarchal title of 'Starosta,' i.e. the old man." He thus stands to his fellows in much the same relation as the steward of a table in a college-hall to his fellow-diners. Thanks to the cheapness which is secured by this practice of meal-communism, a Russian workman can live on 14 kopecks, i.e. about 5d., a day.

Such is the "artel" for manufacturing purposes. In agriculture it plays a still more important part. Ferrero comments with wonder on the fact that the illiterate and simple Russian peasant has devised and practises almost universally a system of voluntary association and common labour "to get rid of the entrepreneur," the nearest parallel to which may be found in the trade union or co-operative society of the "cultured and far-sighted English artisan." In fact, these artels seem to combine features of both these English institutions. They are purely voluntary, not regulated by law, nor exhibiting any fixed constitution. Labourers combine together and contract as a body

with an employer to do a certain piece of work, in a certain time, for a certain price. They divide the fruits of their labour usually equally among themselves ; and, the work finished, the association is *ipso facto* at an end, and the workers free to combine afresh, and, if they please, in different numbers and proportion, for similar objects. This resembles a system of co-operative labour with an equal division of wages, or a district trade union, which, in its corporate capacity, contracts with and works for an employer. Thus, too, in the cities, waiters combine to form an artel, and eliminate the middleman employer, or the possibility of such a capitalist monopoly as Messrs. Spiers and Pond. Newspaper-hawkers form their artel, and leave no room for a Russian W. H. Smith & Son. The boatmen on the rivers form many such societies, and the custom is in each to elect each member in rotation to be president and banker of the society for one day. Every evening the gains of the day are put together, and then divided equally among all who have worked that day. Imagine the cab-drivers of Oxford or London adopting this system, and carrying it through successfully !

The organization of agricultural labour and the organization of women—of both problems this artel-system seems to offer an attempt at solution. For example, on a tobacco estate near Niegine, the girl workers form many small artels of six, seven, or ten associates, according to the size of the plantation. These societies are formed usually in the winter, and last for one year. Each successive year, therefore, may see different combinations among the workers. The *entrepreneur* is eliminated. The artel negotiate directly with the proprietor, and usually arrange to share the produce with him equally. Similarly the shepherds combine. Every spring they lead the villagers' cattle to pasture in one common herd. Every autumn they return and redistribute the beasts among their several owners. Each shepherd is then given a certain number of houses whence to collect the recompense of their common labour. This is paid in grain, meal, or other provisions. All this is then put together into a common stock and sold, and the proceeds in money are then divided equally among all. "The lower the status of the

worker and the baser his employment, the more communistic the society he forms." For the tobacco-workers just mentioned, it seems, divide their wages, not equally, but proportionately to the amount of work done by each individual member of the artel. This is clearly possible, owing to the small numbers of the artel in that case, and the difficulty of such proportional distribution must make this the exception rather than the rule in such associations.

In this artel-system Ferrero sees a cause of strength, of peace, of content, to the State. Owing to it, he points out, under the surface of Russian social conditions, which seem so often to the English observer unjust and cruel, there exists this great mass of societies where economic freedom and voluntary combination are the only law. "Russian legislation on the subject of the artel is the most liberal in the world. *Non est.*"

The English workman in the past surrendered his rights to a narrow oligarchy of capitalists, and is only now fighting his way back to economic freedom and a just share of the profits of production. The weapons he employs, strikes, "boicottaggio," and the like scarcely conduce to the strength and peace of the State. The Russian workman has discovered for himself a simpler means of securing the same desiderata. The "justice" of this, his social system, is, as it were, "the one meritorious office which may redeem a whole life of sin."

Yet surely the very simplicity of the system suggests doubts as to its permanence. Ferrero himself, in the midst of his eulogy, admits that it is not applicable in cases where complicated machinery and considerable capital are necessary for successful production, but where a union of labour is by itself adequate for this end. Now it is probable that machinery, and therewith the need for greater capital and a more complex organization of production, will gradually in Russia, as elsewhere, oust the simpler semi-patriarchal forms of labour. If so, how will the artel fare? It is all very well for Ferrero to insist that this form of association gets rid of the scapegoat of Socialism, the *entrepreneur*, with his "unrighteous wages of management." If the management that is needed becomes ever more complex

and less simple, it may be the less easy to dispense with the *entrepreneur*, and his wages may become the more righteously earned, till the very system of immediate co-operation quits the field of production to take refuge in the middleman's function of distribution. The artel system clearly involves a communistic superiority to the claims of merit and payment by results. If industrial life becomes more complex in Russia, as elsewhere, is this indifference to merit, even if laudable, likely to continue among the employed? It is also clear that there is simplicity also in the objects of association. These are not, dare not be, in any degree political. They are purely economic, i.e. the workers combine simply to absorb as large a share as possible of the profits of production. The artel dare not have any ulterior motive, or concern itself in the least with the *raison d'être* of things, even of its own existence. To this doubtless it owes its immunity from Government interference or supervision. It may seem to us strange and wonderful enough that the only widespread form of association known in Russia limits its interest strictly to the simplest of economic questions, but it is the fact. "The peasant has neither complaint to make against God nor criticism against the State." But in all production the town mechanic is the most important factor in the question of general content. We have already seen Ferrero's description of his machine-like lot, and the very little the artel does to ameliorate this. If discontent ever can break out in this quarter, will the artel save the situation? Because it is a praiseworthy institution in other spheres of operation, it scarcely follows that this will redeem Russian society from disturbance in quarters where its beneficent action is almost a negligible quantity. Content in the country is not always able to outweigh discontent in the town, nor, even in Russia, may co-operation be the panacea of all discomforts. Highly interesting as the artel is, the question must arise whether its interest is that of a semi-patriarchal survival, or that of a future saviour of society, carrying with it a present message to the workers of Great Britain.

In the remaining essays of the book Ferrero deals with questions mainly of contrast and comparison, as between the Latin

and the German,¹ the Semite and the anti-Semite.² By the aid of many examples, pertinent if unattractive, it is argued that the radical distinction between the Latin and the Germanic race (the latter term embracing England and Sweden, the former France) is that the prevailing motive of the former is passion, of the latter the "sentiment of duty and chastity." Therefore the Latin, compared with the Germanic, is a decaying race. For it is the ideal of duty, not pleasure, nor passion, which makes for a nation's victory. Rightly, therefore, the Teuton looks down on the Latin and despises or hates him, even as Bismarck hated Paris. "The heart of the Puritan must beat fast for joy when he sees the metropolis of aesthetic vice blazing under the fire of his cannon." Commonplaces, self-deluding, egotistic, biased pulpit commonplaces these? At least the writer is himself of the Latin race, and speaks as one knowing his own people and with authority to denounce. But perhaps he knows the Germanic race less well.

Similarly and essentially antagonistic is the temper of Semite and non-Semite. Assimilation is impossible and mistrust instinctive. The ineradicable dislike of the true German for such men as Heine and Nordau is but an illustration of the perpetual, if tacit, hostility between the two. Stranger and foreigner is the Jew ever to the land of his adoption, nor can Jewish pride and Jewish pessimism, the great distinguishing features of the race, do aught but alienate him from his fellows. These qualities persist ever unchanged in changing spheres of operation. Marx is but the "Isaiah of capitalist society."

Ferrero is largely concerned with nation-making and nation-preserving forces. To find religion all but neglected among influences in this category would indeed be the more surprising were the writer any other than a modern Italian Sociologist. Christianity he dismisses with assurance, condemning it as having caused the world more evil in the shape of fanaticism and religious persecution than good as an agent of moral reform. The "society

¹ "L'Amore nella civiltà, Latina e Germanica," op. cit., pp. 121-216.

² "La Lotta di due razze e di due Ideali: L'Antisemitismo," op. cit., pp. 349-413.

of the future, based on labour,”¹ is apparently to be rid of all considerations of religion. As though the message of Christianity to the present consisted but in the lessons of misapplication and misreadings in the past! It is needless, however, to dwell on this. Defects there undoubtedly are in the book. Some are incidental to the nationality of the writer, to which doubtless is partly due the amusing description of the unmarried English-woman.² Some are the result of the rashness of generalization, itself doubtless due in part to the necessary rapidity of the author’s observations. None the less it is both interesting and useful when he who is himself of the North may see the life and social conditions of the peoples of the North painted in such clear colours by a traveller from the South. “Extero potius se applicet quam civi credat.”

BERNARD W. HENDERSON.

¹ “Conclusione,” op. cit., pp. 415-424.

² “Il terzo sesso,” op. cit., pp. 313-348.

THE INTERNATIONAL CO-OPERATIVE CONGRESS OF DELFT.

THE place at which the third Congress of the International Co-operative Alliance was invited to meet last September, of itself, lent an irresistible charm to the gathering. To most of our British co-operators meeting on the bank of the sleepy, slow-flowing Schie, under the shadow of a genuinely Dutch windmill and within sound of the bells of the historic Oude Kerk, the ideal industrial settlement which they found planted amid the wide expanse of monotonously flat deep-green polders was nothing less than a revelation. The whole place breathes an air of happiness, kind relations between employers and employed, and mutual confidence and affection. You can see at a glance that this is a realm of peace and good will, in which masters and men, employers and workmen, live together like a happy family, without mutual distrust, with respect paid on one side and consideration on the other, but without restraint. It is the realization of a dream of philanthropists which seemed too good to admit of translation into fact. God has blessed M. van Marken's enterprise with material success, and, like a good steward, knowing that he will have to give an account of his conduct and the use to which he puts his wealth, he has admitted those who toil with him to a share in the fruits of their common labour, and has constituted himself their father as well as their master. And the result is a little world of contentment, which I have already endeavoured to sketch in these pages,¹ and which made one of our British co-operators, to whom the whole thing was new, exclaim to me with delight: "M. van Marken must be a happy man!" The exclamation, which I repeated to M. van Marken, evidently touched him home — as his reference to it at the Congress banquet showed.

¹ *Economic Review*, Jan., 1897, p. 121.

In respect of scene, of personal intercourse, of the meeting of friends old and new, devoted to a common cause, and of the giving and receiving of attentions, hospitality, and kindness, the Congress truly left nothing to be desired. There are no people who understand better how to be attentive and hospitable than the Dutch, and our kind hosts vied with each other in giving proofs of this national characteristic. Ample forethought and labour had been expended on the preparations, and visitors were piloted about, fetched from Rotterdam, and looked after like pet children. The mechanical arrangements, so to call them, were perfect. Meeting hall, committee rooms, the daily *bulletin*—which was appreciated as a decidedly useful innovation,—all these things were as good as could be. There cannot be the slightest doubt that all the rubbing of shoulders, all the meeting and comparing of opinions which have taken place under such particularly propitious circumstances, will be found to have helped materially to further the cause of international co-operative alliance. We know one another better now than we did before the Congress, and we shall reap the advantage of better acquaintance in our future common work. I doubt if the lasting results of the Congress will be found to extend very much further. We have had some very good papers—printed, not read—for our information, if we care to read them; and we have had some unquestionably interesting discussions, ably directed by our admirable presidents, M. van Marken and Professor Treub. However, neither papers printed, nor speeches delivered, nor yet resolutions passed—which had practically been passed before—help us very much further in the practical work, which, after all, is the main thing that we have to think of as active advocates of a cause. We have had, so to speak, an interesting scientific Congress, not a Co-operative Parliament, such as, on the one occasion in the year, or, it may be, in several years, when even our *committees* can meet, we ought certainly to try to hold. Even the business reports of the several committees, aye, the very balance sheet, were “taken as read”—which means that they were neither read nor discussed, though certainly they might well claim attention. One such committee report was not

even printed, or at any rate, distributed, in the official language of the Congress, and there was in consequence some needless discussion and misunderstanding. In fact, all the practical business was kept out of sight, to give place to debate on more or less abstract questions; and even for the discussion of those questions, all preparation made was rendered useless by failure to give the debaters an opportunity of considering carefully the material upon which the discussion was mainly to be based—that is, the papers written at leisure by the several *rapporeurs*. Their labour was accordingly thrown away. Some of their papers were not printed until after the Congress. Such as were printed were distributed in French on the opening day. Amid all the bustle and hurry of the Congress, full meetings, sectional meetings, and any number of committee meetings, I, for one, never found a moment's time to devote to their perusal till the Congress was over. Sittings were multiplied by the holding of "sectional" meetings, three at the same time—which interfered all the more with the holding of committee meetings, for which we had to beg members together, so as to make up a quorum, for as long as their patience would hold out. The sectional meetings were "scientific," like the meetings in full Congress, directed, not at practical business, like the Congressional Committees which we held in London and in Paris, preparatory for work, but at the discussion of abstract "theses." However attractive all this discussion may have been, such arrangements are not conducive to the furtherance of real business, for which, after all, the discussions are intended only as a means. Much has been left undone which ought to have been done. It is satisfactory to be able to state that the resolutions passed in committee make provision against a repetition of similar occurrences. Questions to be discussed will in future be decided upon, authors of papers to be submitted will be selected, months in advance, by the Central Committee, and the papers to be presented for debate will be in the hands of members of the Congress in good time to admit of their careful perusal.

A few words are due to the reports on the condition and

actual extension of co-operation in various countries which were submitted to the Congress, but, I fear, only insufficiently read. They will, of course, appear in the volume. Mr. Rhodes's report on *Co-operation in the United States* is not yet printed. From Professor Gilman's paper on *Profit-sharing*, it appears that co-operation is not in a particularly flourishing condition on the western shore of the Atlantic; but, in fact, it only suffers, along with other trade, from continued general depression. Elsewhere—in Russia, Roumania, Switzerland, Italy, Servia, the Netherlands, Belgium, Germany, and the United Kingdom (there are no reports from France, Denmark, or Austria)—co-operation seems everywhere showing signs of life, stirring, spreading, progressing. And much of this is evidently due to the stimulus given to it by the Alliance, as is shown by the formation of national "unions," and the convening of national "Congresses" which were never heard of before. In Russia co-operation, it is true, is very much hindered by Government protection and interference, and people's banks, more in particular, appear in a parlous state, though there is a great demand for their services. Government uniform is not a convenient dress for such institutions. On the other hand, supply societies are increasing in number and doing well—so well, indeed, that the profits realized (at the rate of 9·16 per cent. on an average) enable villages to take in hand substantial material improvements, such as the building of schools, and even churches, paid for by one half of the proceeds of their co-operative trading. Agricultural co-operation is likewise on the advance. Small cultivators combine to enable themselves to buy out of their common purse first one horse, and then another; and when there is a horse for every member, they retire each with his animal. However, there is more serious co-operation, on a larger scale, as well. In Roumania, co-operation appears to be propagated mainly by means of national exhibitions. Servia is multiplying its banks. It has already 125 of two types, in addition to 80 other co-operative societies. Dr. Hans Müller's report on the condition of co-operation in Switzerland is exceedingly interesting, and also decidedly encouraging. There are said to be 2223 co-operative

societies registered, whereof 1191 are dairies and "cheeseries"—a new word, coined at Delft. There are, in addition, 471 more or less agricultural societies. Some of these—those which we hear most about at our congresses, because they are represented by our committee man, Rector Abt—are an *omnium-gatherum* of every variety of agricultural co-operation, lumped together, so as to make them suitable to satisfy the wants of the small peasantry of the more specifically agricultural cantons. In Italy, where since the Congress was held the Pope has given prominent approbatory mention (in an encyclical) to village banks—Roman Catholic, of course—it is by banks mainly that co-operation is represented. However, such supply stores as the *Unione Militare*, the *Unione Cooperativa*, and the Co-operative Society of Sampierdarena (which supplies Dutch co-operators with excellent maccaroni) are very flourishing. M. Boudewijnse's account of what is being done in the Netherlands is certainly worthy of notice. Co-operation in the Netherlands, it ought to be borne in mind, is altogether new, and rather of middle-class than of popular origin. It was officers and civil servants who originally founded the *Eigenhulp* of the Hague. At Flushing it is chiefly the pilots who maintain the Store. However, co-operation has advanced, and in respect of agricultural societies and building societies Dutch co-operation, which is particularly businesslike, may before long be of a condition to serve us as a model. M. Micha had not much that is new to say about co-operation in Belgium. The figures of Dr. Häntsche's report I practically give elsewhere. And there is no need here to speak of Mr. J. C. Gray's figures for the United Kingdom.

The papers contributed to the Congress are of very unequal value, and generally inferior to those read either in London or at Paris. Their effect upon the discussion was practically nil. Very valuable contributions indeed might have been obtained from the authors, if the plan originally contemplated had been adhered to, and every one invited to contribute a paper on one particular point, on which he is known to be strong. The proof of this is to be seen in Mr. Williams' paper on *Co-partnership*.

However, the local committee submitted to each writer the *whole* question, suggesting heads for discussion, the practical bearing of which is at any rate open to dispute.

Thus it came about that, for instance, in the discussion of "Co-operation in Agriculture," which formed one of the main questions selected for discussion, the debate became disconnected and unpractical, and the several speakers, thinking of different countries, were practically at cross purposes, and in some instances grew very excited about really nothing at all. What suits England will obviously not suit Switzerland, and very probably not Germany or Holland. To wish to tie down agricultural co-operators in all countries to the same *modus operandi* is as ridiculous as Charles the Fifth's trying to make all his watches and clocks go alike. Such discussion and the resolution actually passed, which practically says nothing, will not, so it is to be feared, do much for the development of co-operative agriculture. What excellent material there was at the Congress for mutual enlightenment, for a profitable exchange of experiences and instructive comparing of notes, if a different line had been pursued, is to be gathered from the interesting communications upon various practical methods pursued, made by Mr. MacInnes, Mr. Gill, and Mr. Mansholt, as well as from the able paper contributed by Herr Abt.

Just as little real good has been done with regard to those international commercial relations between co-operators which have from the outset formed one of the main attractions of the Alliance in the eyes of foreigners. To be plain, the Alliance has, after a very promising beginning in the first year, accomplished very little in respect of this aim, and it is not surprising that strong complaints should have been expressed on this score in foreign co-operative newspapers, and that one of our most active fellow-workers on this ground, M. de Larnage, who did not come to Delft, is reported to be losing courage. The result is particularly painful to me, since it was I who first broached the idea at Paris, and made myself its spokesman in London and again at Paris. There can be no doubt that there is scope and promise for international commercial relations, but they are only to be

established by taking a little trouble about them, by keeping the several national centres in direct communication, and by urging the laggards on through the help of some *central* connecting body. The papers contributed entirely support me in this argument. However, the central body was destroyed at Paris, and, in England, in a whole year, we have accomplished nothing in this respect except *project* a trade catalogue, with regard to which we have not yet taken any steps towards ascertaining if there will be sufficient support to warrant its publication. Meanwhile the Bureau Directeur is found fault with abroad for failing to do what is not its duty, but what requires an altogether different committee. At Delft we have done nothing, except, after some idle talk, to reaffirm a resolution passed last year at Paris, expressing a desire that national central bodies should be formed in the several countries, and—this is important—"allowing" the French "forwards" to establish a Co-operative *Bourse* (it is to be in the Rue Taitbout at Paris) at their own expense, but with our good wishes, which is to be open to any goods produced by co-operative associations. A misunderstanding into which our British co-operators, strongly represented at the Congress, were led by their unwillingness to commit themselves to anything more than an exchange of information, made it appear to the French as if we were grudgingly hostile to their proposal. The establishment of a Co-operative *Bourse*, and the creation thereby of a trading centre, certainly is a valuable step forward. But it does not appear by any means certain that the hands which undertake it are sufficiently strong to maintain it.

The "second question," as it is put in the programme, has to some extent altered its form in the hands of the local committee issuing the programme. It was intended to comprise all the different kinds of hindrances with which co-operation has to contend in various countries. What with the "fleshers" up in arms in Scotland, the governments in Germany discriminately corrupting with kindness and "throttling" with taxation distinct types of co-operation, the trading classes opposing in Holland and elsewhere, and the grave question of legislation chronically

troubling parliament in France and some other countries, a good deal of useful discussion might have been manufactured out of the material available, sufficiently supported by an international voice to command attention in the quarters at which it might be pointed. Very little of this has, however, been done. A commonplace resolution has been approved such as might have been adopted without discussion. But the strong and unanimous plaudits which, in repeated volleys, greeted Dr. Pierson's emphatic declaration, made in his opening speech, against State aid and State subsidies, may help the Dutch Government, of which Dr. Pierson, as minister of finance, is practically chief (there is no "prime minister" by name in the Netherlands), in keeping the canker which is doing so much mischief in France and Germany out of co-operation in his own country. That declaration, embodied in an admirable speech, composed in the purest French, was, of course, more or less an oration *pro domo suo*. Holland has legislation on co-operation set to it as one of its tasks. And in so far the Congress undoubtedly did good.

The central point in all the discussion and all the business accomplished is to be found in the question of profit-sharing and labour copartnership. Now, in respect of this, happily, there is a useful modicum of results to report. The Congress has adopted our carefully considered definition of profit-sharing, which is actually *all* that our Profit-sharing Committee has accomplished in a full year, and which says—

"With respect to the definition of profit-sharing this committee takes as its basis the definition implied in the first resolution passed (without opposition) at the International Congress on Profit-sharing held at Paris in 1889, a meeting attended by a large number of the leading exponents of the method, and the competence of which is beyond question.

"Le Congrès international est d'avis :

"1. Que la convention librement consentie par laquelle l'ouvrier ou l'employé reçoit une part déterminée d'avance des bénéfices, est conforme à l'équité et aux principes essentiels du droit positif." (*Compte Rendu in Extenso des Séances*, p. 267. Chaix. Paris, 1890.)

"The International Congress is of opinion, 1. That the agreement, freely entered into, by which the employee receives a share, fixed in

advance, of the profits, is in harmony with equity and the essential principles of positive law.'

"In order that the definition just set forth may be of practical utility as a test of what is and what is not profit-sharing, it is necessary to explain in what sense its terms are understood by this committee.

"With respect to the 'agreement' mentioned in the definition, the committee consider that, while an agreement binding in law is the normal form, they do not exclude cases where the agreement has only a moral obligation, provided that it is, in fact, honourably carried out.

"By a 'share' in profits is meant a sum paid to an employee, in addition to his wages, out of the profits, and the amount of which is dependent on the amount of these profits. If an employer undertakes, for example, to contribute to a Pension Fund £1 for every £2 contributed by his workmen, this is not a case of profit-sharing, unless the undertaking is to pay out of profits only, because the sum payable under the agreement does not depend upon the amount of the year's profits.

"With respect to the 'profits,' a share in which is, under a profit-sharing scheme, allotted to the employees, these profits are, in the opinion of the committee, to be understood as the actual net balance of gain realized by the financial operations of the undertaking in relation to which the scheme exists. It is, therefore, necessary to point out that the payment of bonus on output, premiums proportionate to savings effected in production, commission on sales and other systems under which the amount of the bonus depends upon the quality or amount of the output or volume of business, *irrespective of the rate of profit earned*, does not constitute profit-sharing.

"It is to be observed that the money to be received by the employee under profit-sharing is to be received by him strictly as an employee, i.e. in consideration of the work done by him. The fact that an employee holds shares or any pecuniary interest in an undertaking and as such holder receives, on account of such shares or interest, a part of its profits, does not constitute a case of profit-sharing.

"Having explained what they understand by a 'share in profits,' the committee direct attention to the requirement contained in the Congress resolution that the share shall be 'fixed in advance.' It is not necessary that the employees shall know all the details of the basis upon which the amount of their share is fixed; thus, an employer may agree to give his employees one half of all his profits in excess of a certain reserve limit, that limit being communicated only to an accountant who certifies what is due to the employees; this would be a case of profit-sharing. On the other hand, if the share given to the employees is

indeterminate, i.e. if the employer at the end of the year determines whether he shall give one-tenth or one-fifth, or some other fraction of his profits, to his employees, at his absolute discretion and not upon any prearranged basis—this is not profit-sharing.

“The next question is, supposing the total amount which an employer is to give to his employees as a body to be fixed upon a predetermined basis, must the share of each individual participant be similarly fixed? Or may the employer distribute this amount at his unfettered discretion among the different employees, according to his opinion of their merit or otherwise? In strictness, cases of the latter type might well be held not to fulfil our definition; but the committee, on careful consideration, are not prepared to declare such cases inadmissible as instances of profit-sharing, provided that in any event the whole of the employees' share be distributed among all or some of the employees, except such as shall have forfeited their share by their failure to comply with precise reasonable conditions of participation, but so that in no case shall any part go back to the employer.

“It is important to inquire how far a distribution of profits must extend in order to constitute a case of profit-sharing. If the distribution be confined to managers, foremen and leading hands, or to any of such classes of employees, this, in the opinion of the committee, is not profit-sharing. A profit-sharing distribution may exclude persons who are not adults, or who have not been in the service of the employers for some reasonable qualifying period, but must, in order to come within the definition of profit-sharing, include in any case a large proportion, which the committee consider should not be less than 75 per cent. of the total number of the adult employees who have been in the service of the employer for at least one year.”

Moreover, it has passed a resolution to the effect that—

“in the opinion of this Congress it is important that an active propaganda in favour of the principle of labour-copartnership should be organized in all countries in membership with this Alliance, so that public opinion may be educated to its importance and the attention of all sections of industrial reformers drawn to its value as tending to harmonize the interests of the principal factors engaged in production and exchange.”

And all this without contradicting itself in a subsequent resolution, as was done by the Congress of London. So far we have certainly made some progress. But, unfortunately, while we emphatically tell people that they ought to adopt labour-copartnership, we steadfastly decline to tell them what labour-copartnership is.

And, as will be shown, the very haziest of ideas and no-ideas possible are afloat on this score. In the Profit-sharing Committee, thinking that our duty was, as the instruction given to us at Paris suggested, to spread abroad copartnership as well as profit-sharing, and that we could not reasonably ask people to adopt that of which we did not explain the nature, we proposed to define it. The proposal was defeated by the vote of an outsider, who had no business to vote, as was afterwards allowed. At the Congress it was urged that copartnership is so supremely "spiritual" a thing as to defy definition. If it is so, then, obviously, it has a poor chance of general adoption. But just as obviously, this making a mystical abracadabra of copartnership is not logical sense. Copartnership may have and should have valuable moral and social effects. If some people choose to call them "spiritual," there is no occasion to strain at the unconventional use of a familiar word which, like Mr. Weller's "circumwent," may be found particularly expressive as "meaning more" in some quarters. But in itself copartnership is a purely economical fact. Then why should not the Congress frankly tell people what it proposes to them as a model? Why is it to bid them open their mouths and shut their eyes? Because there are some people among its members who have not learnt to distinguish between a "definition" and a "standard." It is not certain that we have altogether done our duty by going into the question of "standards." We were appointed much less to do analytical work by our study lamp than to do the practical work of propagating profit-sharing and copartnership. Let it be imperfect in its first stages, as we admit that we must tolerate it. It may be perfected in due course. The Apostles would not have done much to propagate Christianity had they sat still in a library, like so many schoolmen, splitting hairs on questions of abstruse dogma. As for a definition of copartnership, you may very well describe the characteristics of a house, without entering into exact measurements, and into the details of Romanesque, or Gothic, or Batty Langley. If you do not describe its advantages and uses, you are not likely to persuade people who do not know them to build one. However, on account of this confusion

of ideas, the Alliance has been made to place itself in the illogical position of saying to the world:—"Practice copartnership—but we will not, on any account, tell you what copartnership is." Thus some hours were unprofitably wasted over this idle dispute, peculiarly irritating to foreigners—and they openly complain about it—because it was carried on by Englishmen in English. M. Bertin, sadly puzzled, asked, "Do I understand that copartnership places the means at workmen's disposal for acquiring a share in their workshop?" Upon the question—which is worth all the preceding debate—being answered in the affirmative, he at once readily declared his willingness to vote for the copartnership resolution without asking for details. However, evidently not all foreign co-operators have arrived at this happy state of enlightenment. In one French co-operative newspaper serious complaint is made by one who was present, on the ground that at the Congress the English, being strong in number, tried to force a *new name* for profit-sharing upon the Congress, *meaning exactly the same thing*, to wit, "copartnership."¹ Evidently we are not setting about our "propagandist" work in quite the right way.

Notwithstanding the little errors here described, there can be little doubt that the Alliance issues from its last Congress stronger than it went into it. Its gathering is certainly likely to do practical good in the Netherlands, where co-operation needs strengthening. The presence at its meetings of the Minister of Finance and of the Minister of the Interior, the acceptance of honorary presidencies by other members of the ministry, and the large amount of space allotted to a discussion of its deliberations by the whole of the Dutch press, prove with how much interest its proceedings have been followed on the spot. And the Alliance itself is sure to have gained in compactness, cohesion and mutual understanding. There is, quite naturally, still a looseness about its organization which is inseparable from newness. Members do not pull together as well as they should, because they are not yet quite sure which way they ought to

¹ One or two German co-operative newspapers put precisely the same construction upon the use of the word "copartnership."

pull—say, for instance, with regard to commercial relations. The representatives of different countries still speak in different languages—in more senses than one, as has been seen with respect to copartnership. There is also still, very naturally, a rather pronounced national feeling among the several sections. The French accuse the English of forcing themselves too much forward; the English reciprocate the charge. The Germans have scarcely yet put in an appearance, the Austrians none at all, though both loyally support the Alliance at home. English co-operators, as well as French, very excusably still often look upon the Alliance and its business, so to speak, in a home light, as reflecting upon the issues being fought out at home, and as if the Alliance were to be made serviceable for their particular policies. Year by year, however, that looseness diminishes, and the diversities of aims become more and more reconciled. The team become used to one another, and better adapted to profitable common effort. Certainly, since the Alliance was formed, nobody among its adherents has to the smallest extent lost faith in it. Rather is belief in its utility steadily increasing and spreading. It is, really, only since the formation of the Alliance, and as a consequence of its work, that national sections are forming, which are, in truth, a necessary prerequisite for useful international work. If, as there is promise, we can hold our next Congress at Rome, under the experienced leadership of M. Luzzatti, there can be little doubt that we shall make good progress with specifically practical work, which, after the theoretical discussions of Delft, it must be admitted, is a little needed. But, whatever there may be to be said against the Congress of Delft, in it we have certainly done this good, that we have with no uncertain sound declared ourselves in favour of co-operation in the advanced sense of gradual emancipation of the whole class of workers, by the refusal of State subsidies, by profit-sharing, and by copartnership: and thereby we have pitched our programme in the right key. From that position, which in London and at Paris we did not quite take up, we are not likely to go back. We have, moreover, proofs of the utility of the Alliance afforded in the greater

activity, the bolder policy to be observed among co-operators in countries like the Netherlands, Spain, Switzerland, in which heretofore co-operation was backward or else altogether dormant. Thus the work on which we set out in 1893 is already justified by its results ; and no one who has set his hand to it doubts that in the alliance of the national forces striving for the same peaceful and emancipating end the right means has been selected for furthering co-operation everywhere, and for bringing substantial benefits, in the shape of social and economic improvement, to the working population throughout the world.

HENRY W. WOLFF.

SOCIAL REFORM AND THE EDUCATION OF THE CLERGY.

IT can hardly be necessary to enter upon any formal proof that the education of the clergy is a matter of deep social import. That would be so even upon the most conservative and most purely theological or narrowly ecclesiastical view of the functions of the clergy. But in these days there is a general consensus that the work of the clergy is at least partly social. Those who would restrict most severely the sphere of clerical activity, at least admit that it is the duty of the clergy to promote temperance and thrift, to manage schools, clubs, and other such institutions. Readers of the *Economic Review* will, at all events, be familiar with the idea that the helping in social movements, the promotion among rich and poor alike of stronger and more intelligent views of social duty, the guidance of men's consciences in difficult and complicated questions of personal conduct are matters not beyond the scope of the Church's activity. At all events, whatever may be thought of the ideal attitude of the clergy in relation to such matters, the fact is undeniable that the clergy do actually undertake and perform social duties which extend very much beyond the functions of a theological teacher and a leader of divine worship. They are *de facto* the administrators of large charitable funds; they take a prominent part, more or less *ex officio*, in all kinds of charitable and educational institutions; they are at the head of a vast army of lay philanthropic workers; they practically determine the destination of large sums of money even when these do not actually pass through clerical hands, and the direction of immense voluntary social activities, even where they are not actually under clerical guidance and management. Moreover, in many places, the clergy are practically the only educated men

who are in a position to initiate social improvement of any kind. However much we might theoretically deprecate the expenditure of clerical time upon the "serving of tables," it will be very generally admitted that where the alternative is between this and, say, the wholesale poisoning of a vast parish by a corrupt vestry and bad drains, it is better that the clergy should do the work, or at least endeavour to get others to do it, than that it should go undone.

And for these things it will hardly be disputed that knowledge is necessary—not merely detailed knowledge of administrative law or of charitable organization (these may, perhaps, be best acquired by practical experience), but enlarged views of social and ethical questions. People whose duty is—more directly than any other class, except the politicians—to act on society, should at least, it will surely be admitted, know something as to what society is, what are its aims, what are the laws by which it is governed, how far it is capable of improvement, what are the criteria of good and bad social effort, what are the particular problems which are at present occupying the attention of social philosophers and of experienced practical men in these connections. How far can it be said that the education of the clergy is at present of a kind to qualify them to deal with such matters, and how far does that education admit of improvement? These are the questions which I propose to discuss in the present essay.

I have thought it necessary briefly to suggest the connection of clerical education with those social questions to the discussion of which this *Review* is devoted. But, at the same time, I should wish to premise that I have no sympathy with that view of the clerical office which would turn the clergyman into a sort of miscellaneous civil servant, or superior sanitary inspector, or, again, into a mere paid agitator or socialistic demagogue. I regard the spiritual functions of the clergy—properly understood—as of paramount importance, and believe that they can only render valuable aid to the cause of social reform by placing their spiritual functions in the forefront of their work. And to the adequate discharge of those spiritual functions competent

theological education is an essential qualification. A wider and more philosophic view of what theology is we undoubtedly want. Theology, in its true sense, cannot be confined to a knowledge either of traditional dogmatics or of the latest Biblical criticism, though it should include both. We want to go back to the schoolmen for our conception of the problems of theology, though not to any great extent for our way of answering those problems. A true theology means a true theory of the universe, in so far as that is necessary to true conceptions of the nature of God, of the world, of the spiritual nature of men, and of the relations between them.

But the study of these questions assuredly implies some acquaintance at least with many branches of study besides those which are recognized in the bishops' examinations, or even in the theological schools of the universities. Whether we look upon theology in this high and worthy manner, or in its more usual and conventional sense, it cannot be said that any superfluous addiction to theological study is the weak point of the Anglican clergy, whether in their student years or in after life. On the contrary, I want quite as much to call attention to the theological as to the other deficiencies of our present system of clerical education. In fact, it is impossible to discuss one subject without the other. The education of the clergy in social matters is not possible without more education in general; so that, if I keep the social aspects of the question uppermost, and do not enter into any details as to what shall be taught in the name of theological education, I hope I shall not be considered to be straying beyond the province of this *Review*.

I propose, then, first, to ask in a very brief and general way what sort of education the clergy should have, and then to compare this ideal with the actual facts.

An ideal clergyman's education would consist of (1) the highest general or liberal education; (2) theology, in its widest acceptance; (3) a special training in the social sciences, including the more empirical applications of those sciences to such questions as charitable relief, and the other more obvious and immediate social duties of a pastor. It would be a waste of time, however,

to discuss in any detail the ideal of a clergyman's education, for up to the point at which the special clerical training begins, it is clear that the clergyman must receive the education that is actually provided by the existing schools and universities. The only point that I will emphasize now is, that while every profession demands more or less of general education followed by more or less of special or technical education, the nature of a clergyman's work is such that the importance of the general as compared with the professional part of his education is here at its maximum. Whether we look to the ideal of theological science as the science that accepts the results of all the other sciences in their bearing upon the supreme questions of God and the spiritual life of man, or whether we take a more practical view of the clergyman's position as a preacher, a guide of souls, and a leader of moral and social activities, it is obviously important that a clergyman should have the very highest general culture that his opportunities and capacities permit. No scheme of reform must, therefore, shorten the time already devoted to general culture. There is another very important reason why it would be undesirable to begin the special professional education of a clergyman any earlier than it is now begun by the bulk of university graduates. In England—upon the whole, happily—most men, especially the more educated class of candidates, do not make up their minds definitely to take holy orders till a very late stage of their education. Many men "intended for the Church" in a conventional way lose all inclination towards that career during their university life, or become rightly or wrongly convinced that it is impossible to them; while many of the best clergymen are men who would never have dreamed of committing themselves to it at fourteen, or even at eighteen. It is obviously undesirable that men should be forced a moment earlier than is necessary to take a step which will disqualify them for other careers. Hence we have to practically limit ourselves to the consideration of what is desirable for graduates after their degree, or for men who, from force of circumstances, are compelled to go to a theological college as a substitute for the university.

And, for any more detailed treatment of our problem, it becomes necessary to divide candidates for orders into three classes : (1) university graduates in honours ; (2) university passmen ; (3) non-graduates from theological colleges.

Let us, then, look at the actual education received by each class.

(1) *Graduates in honours.* Oxford graduates in *literæ humaniores* receive, in the general philosophical and historical studies of their school, the best possible preparation for the future study of theology ; while, under the head of "Moral and Political Science" (including, rather nominally, the rudiments of political economy), they do get a certain amount of general ideas about human society such as may at least qualify them for a more detailed study of social problems hereafter. Next to the school of *literæ humaniores*, the best preparation for a clergyman's work—at least, for the social side of it—is supplied by the school of modern history, which includes political philosophy and political economy. The former is taught less philosophically than in *literæ humaniores* ; on the other hand, political economy here forms the subject of definite teaching and of a distinct paper. The other schools (except theology) cannot be said to teach anything which has much special reference either to social questions or to theology ; while theology itself is usually taught and examined on in a way as remote as possible from philosophical as from social interests. At Cambridge, the school which answers to the school of *literæ humaniores*, i.e. which is taken up by the bulk of the men who have received and profited by a good classical education, is of course almost exclusively devoted to philological study. The classical tripos may be the best possible preparation for the philological side of theology, but has no further reference to the social side of a clergyman's work than is implied in the communication of high literary culture. The moral sciences tripos—which gives prominence to political economy as well as to the more speculative branches of philosophy—might be considered to supply the ideal pre-theological education for a clergyman ; and some well-known ecclesiastics have shown throughout their careers the benefits derived from

such an education; but the tripos does not attract a large proportion of the ablest Cambridge men, whether among candidates for orders or not. As to special theological education, a small proportion of honours men—generally among the abler men—read for the school of theology at Oxford for a year—at Cambridge possibly for two years—after their own honour school. Otherwise, their theological education is much the same as that of passmen.

(2) *University passmen.* At Oxford, some of the subjects commonly taken up by passmen—the elements of logic and the first four books of the Ethics of Aristotle, or two books of the Politics—may be considered to involve some very elementary philosophical groundwork for theology; while political economy forms, perhaps, the most valuable element in the education of the average Oxford passman. It is possible for him to take theology as one of his “groups,” which may occupy him for a term or two. The Cambridge pollman spends his first two years on classics or mathematics, and other general subjects; his last year may be devoted (if he pleases) to theology or to political economy—not to both. A majority of university men now go to a theological college for a year; very rarely the period of theological study is prolonged to two years. But many men still receive no theological education whatever besides what they give themselves in reading for the bishop’s examination. In the programme of most theological colleges no definite instruction in any department of social science, so far as I am aware, finds a place. It would be unfair not to mention the splendid training in practical social work which a large number of future clergymen now obtain through a residence—usually of a year—at Oxford House, but this is not the same thing as definite theoretical teaching of social science.

(3) *Non-graduates.* The non-graduate spends two years at a theological college. His time is here given up entirely to theology, and in many cases to a very restricted range of theological study. The programme is often, in fact, limited to the subjects prescribed for the bishop’s examination, which a university second classman could get up in a few months, together

with some little instruction in preaching and in "Parochialia." No instruction in social subjects is attempted at any theological college—nor any philosophical preparation for the study of theology, nor does moral theology or Christian ethics enter into the Anglican conception of theology. But these facts do not adequately represent the difference between the education of the non-graduate candidate for orders and that of the graduate. It is true that the theological college man probably does on an average rather more work in his two years than the average passman in the course of three years largely devoted to amusement and athletics at a university;¹ and the idleness which the universities encourage by their pass system ought to be borne in mind in considering its moral and intellectual effects on a candidate for holy orders. Nor can it be assumed that in natural ability the theological colleges represent a very much lower level than the minimum required for a pass degree. But the university graduate is usually a man who has enjoyed—not always profited by—a regular public or grammar school education up to his nineteenth year. Among the students of theological colleges will be found men of every variety of educational antecedents. But it may be safely said that the great majority left school before seventeen, while a good many of them have never had any education whatever but that of an elementary school, and a little private instruction from some neighbouring clergymen before they went up for the Examination for admission to the theological college.

Such are the facts. Before we ask, "What improvement is practicable?" just compare the education of our clergy with that of the Roman Catholic priest, the Scotch minister, and the higher class of Protestant Nonconformist minister. The Roman Catholic priest is usually taught at a very early age, educated at a Petit Séminaire (say) from fifteen to eighteen, and then in a Grand Séminaire, or sometimes he may go through the

¹ The *virtuous* passman, so far as I can gather, usually does about three hours' work a day, including lectures. His work in the six months' vacation is no doubt a more variable quantity. It can rarely exceed an average of two hours, except in the case of rather stupid men.

successive courses of grammar, rhetoric, philosophy, and theology in different departments of the same college. At all events, in one way or another, he is usually at school and college from an early age till he is old enough to be ordained priest. His more strictly professional education usually consists of two years of philosophy and three of theology. The Scotch Presbyterian ministry can be entered only through the university. Three years of arts—probably the most all-round and best general education for young men from seventeen to twenty that is to be found in Europe—and four of theology are invariably insisted upon. Three years of theology is the regular course at Mansfield and Manchester Colleges in Oxford, and at the first all the students, and at the latter a large proportion, have already taken a degree in arts.

It is obvious at a glance that the great desideratum of our system, besides the want of special social teaching which is probably shared by most other systems, is more theological teaching for the graduates, more general education for the non-graduates. Both these things are necessary if any special social education is to be got in. For the graduates, this can only be secured by lengthening the time given to professional education; for the non-graduates, more general education will be necessary if time is to be found for social science or the men to be rendered capable of learning it. I proceed to make a few suggestions with regard to the three different classes of candidates.

It might seem obvious to urge that the bishops should insist on a year at a theological college in the case of all candidates. But the importance of removing every obstacle from the intellectually highest class of candidates is so great that I should deprecate any such hard and fast rule. To say nothing of the men who are ordained as college tutors or schoolmasters (the existence of which class is, to my mind, a matter of the highest importance to the religious education of the country), there are men who cannot afford a theological college after their degree, even if they decide on taking orders at that moment. But in many cases, a man who has taken a high degree wants

to read for a fellowship, or (if he has not definitely decided for orders) for a second school other than theology. In some cases he does not see his way to take orders till he has spent some years in tutoring or schoolmastering. And when there is this delay, the man has the time for private study, and men of the class in question have at least learned from their university work how to read for themselves. Moreover, theological colleges, as they are now constituted, do not suit everybody. The theological colleges designed mainly for graduates are mostly conducted on rather decidedly party lines. This may be inevitable, or even desirable, but, at all events, there are men who would not be at home in such colleges; and to enforce a year at a theological college would practically involve a most serious narrowing of the Church of England. It might be less objectionable if the candidates were left the alternative of a year's theology at the university, but, for the reasons indicated above, it would be better not to insist on this absolutely. The bishops might resolve to insist on a year's theology at a theological college or a university, except when for special reasons they are satisfied that the candidate had done an equivalent amount of private study, accompanied perhaps (at least in the case of men ordained to curacies) by some practical training, such as is secured by residence at a university settlement. It is obvious, however, that this year's theology is all inadequate for the special intellectual preparation which a clergyman requires. A second year at a theological college is becoming not very unusual at some colleges, and the requirement of one year's theology (either in a theological college or in a university) ought to be followed at the earliest practicable moment by a rule of two years, with a power of dispensation in special cases. Dispensation from the two years' theology—and still more from the one—might be conditional on passing a bishop's examination of a distinctly higher type than the present examination for orders. When another year is gained for post-graduate preparation for orders, it would be possible to introduce more definite teaching on social questions into the theological college course, and a corresponding new subject into

the bishop's examination. Candidates whose university record showed some real study of economics or social science might be excused from the whole or part of these additional subjects. So long as the theological college course is limited to one year, it would hardly be possible to do more than to include a little advice on the subject in the teaching of "parochialia" or "pastoral theology." Bishops might, however, introduce some book on the subject into their examination for priest's orders. And perhaps I may be pardoned for making another suggestion, which it would be in the power of the bishops to introduce by a stroke of the pen. What hinders a bishop from ordaining priests—at least, those who do not in their examinations show knowledge and ability considerably above the minimum standard—only on condition of passing some further examination at the end of a year after ordination. In the Roman Catholic Church I believe that such examinations are insisted on for many years after admission to the priesthood. If the present miserably low minimum of education before ordination is unavoidable, there is no reason why some stimulus should not be given to education after ordination; and such a measure might secure the young clergyman—against himself and against the over-exacting vicar—the opportunity of real study for a few years after ordination.

I cannot leave the subject of the theological education of graduates without saying a word as to the supreme importance of encouraging a period of theological study—whether for the school or otherwise—in university honourmen after their degree. A reasonably scientific training in theology can practically be obtained only in the universities. It is scarcely possible to exaggerate the advantage which the Scotch minister has over the bulk of our clergy in having gone through a regular course of theology under mature and distinguished masters of their subject. It is needless to point out how poor a substitute for this is the hasty year in a theological college—rightly divided between intellectual study and devotional or practical training,—under teachers chosen largely for quite other reasons than eminence in scientific theology. Practical capacity, power of influence, sympathy and attractiveness, loyalty to a party

Shibboleth—all these may be excellent things in their way, but they do not make men theologians, least of all extremely young men, who often either know very little theology, or (if they have been through the theological school or tripos) have often no philosophical basis for their theology. I fear it is still possible for men to pass through many of the theological colleges without acquiring the barest rudiments of either Old or New Testament criticism. Lack of means is often the obstacle to a man taking a year or more of theology at the university after his degree. The foundation of exhibitions to assist such men would be the very best of all openings for the liberality of Churchmen anxious to raise the standard of clerical education, especially if measures are taken to prevent the selection of candidates turning upon grounds of party theology. It would probably be desirable not to tie the candidate down to taking holy orders, since many of the men whom it would be most desirable to attract cannot definitely pledge themselves to that course just at the moment when they are emerging from a struggle with pantheising or sceptical philosophies, and are not yet in possession of the historical and critical foundations of Christian theology. Something might also be done to encourage the higher class of candidates for orders to go through a course of study at the London School of Political Science. Possibly such a course might be combined with a certain amount of practical training in connection with a university "settlement."

3. *Non-graduates.* An important step towards raising the standard of non-graduate candidates for orders has been taken by the institution of the Archbishops' Examination for candidates for admission to theological colleges. This measure has, it is believed, practically led to the closing of one of the most notorious seminaries for ignorant priests; and if it is true that it has actually diminished the number of candidates annually ordained, that is no less a subject for congratulation. But it must not be forgotten that examinations are not a substitute for education. In view of the actual state of the education of the majority of non-graduates at the beginning of their theological college course (I recognize the existence of a minority

to whom these remarks do not apply), is it not clear that the theological colleges should teach many things besides theology? Granted that the imperative necessity of a knowledge of the Bible and of Church history will compel the majority of ill-prepared men to spend the bulk of their time upon these subjects, should there not be some teaching of secular subjects also? And should not the introduction of some elements of general education into their course be forced upon the theological colleges by the establishment of some examination in such subjects at the end as well as at the beginning of the two years' course? In the selection of such subjects, the question of their bearing upon social questions should be paramount. It is a misfortune that non-graduates should have to devote months of their scanty time to the acquisition of a wholly inadequate and uneducational amount of elementary Latin and Greek. It is not in this direction that the burdens upon non-graduates should be increased. Political economy would supply exactly the subject best suited to arouse intellectual interests in men of mature years, while it will supply the most wholesome corrective to that purely ecclesiastical way of looking at things which is the weak point of the very valuable class of men who can enter the ministry of the Church only through a theological college. If it be said that any addition to the requirements of the existing bishop's examination will involve for the majority a three years' course instead of two years, is not that exactly the point which ought to be aimed at? A three years' course is already insisted upon at what I may perhaps venture to call the best administered non-graduate theological colleges—St. John's College, Highbury, and St. Augustine's College, Canterbury. If it be said that these colleges are endowed, while most theological colleges have to charge fees sufficient to make them self-supporting, would not money be forthcoming to help really valuable candidates, if the importance of this question of clerical education were sufficiently brought home to the minds of Churchmen?

I have attacked a large subject, and it may seem that the suggestions which I have made are modest and homely. When they have been adopted, the education of most clergymen will

still, it may be thought, be very inadequate to qualify them for the vastly important social duties which they will have to perform. But improvement, especially in England, must be gradual and tentative. The great thing is to make a beginning. And what should be aimed at in our first tentative steps is not to equip the future priest with a great amount of technical knowledge, to arm him with ready-made solutions of all social problems. The aim should be simply to call his attention to the subject—to send him forth to his work with the feeling that he is bound to be a student of social questions, and that for the due performance of the humblest duties of charitable relief he requires knowledge as well as love and zeal. If the existence of such problems, if the fact that some of them have been answered, and others may be answered in the future, be duly impressed upon his mind before he begins his work, a man of any intelligence and energy may be trusted to continue his studies as far as his circumstances permit. If the subject is never brought before his mind, experience shows that great experience and sympathy of a certain kind may still be compatible with absolute blindness to the real significance of the social phenomena among which the clergyman lives, absolute indifference to many of the things which concern the highest well-being of the flock to whom he ministers, and immense and pernicious misdirection of philanthropic activity. It may no doubt be thought that, after all, these social questions are just what are absorbing the interest and energy of our best younger clergy. Happily that is to a great extent the case. But it is surprising, after all, how little way the most elementary and most universally accepted of the ideas associated with such an organization as the Christian Social Union have really touched the minds of the great mass of the clergy. A man may go down from the university with some vague idea that he is called upon to help in the solution of social problems; but such vague and ill-informed "interest" is apt to fade away if he finds himself under an unsympathetic rector, or among clerical neighbours whose social ideas are limited to a horror of "agitators" and a conviction that the rich are the great benefactors of the

poor because they find employment. And such clerical circles still exist, even in large towns. Moreover, even when the young clergyman goes to his work full of zeal and enthusiasm for social improvement, it is often unhappily the case that his zeal is not according to knowledge, and that his mistakes and crudities tend to bring discredit upon the whole idea of Christian socialism, or even of social Christianity. We have still much to do before it is generally recognized that zeal and goodness are no more substitutes for elementary knowledge of social and economic science in a clergyman than they would be for ignorance of physiology or therapeutics in a medical practitioner.

H. RASHDALL.

EMIGRATION: A PLEA FOR STATE AID.

ACCORDING to the most recent statistics¹ supplied by the Board of Trade, it appears that now, as previously, the emigration of British subjects to the United States from the United Kingdom largely exceeds the sum-total of similar emigration to all British colonies. Thus, for the year 1896, the emigration of British subjects to the United States exceeded the total emigration of British subjects to the British colonies in any part of the world by a surplus of 35,989 persons. For the same period the total number of British subjects who emigrated to British North America was only 15,310; so that the surplus of emigration into the United States, after the total emigration of British subjects into all British colonies, wherever situated, has been deducted, is considerably over double the emigration into the largest, wealthiest, and most easily accessible of the British colonies. For the year 1895 the figures are even more remarkable. In that year the excess of emigration to the United States over the sum-total of similar emigration into all the British colonies reached the enormous sum of 67,823 persons, while the total emigration to British North America was less than one-fourth of that surplus.

The following table—taken from the *Labour Gazette*—gives the actual figures of British or Irish emigration for the two years, and for the months of December, 1895, 1896.

Destination.		December, 1896.	December, 1895.	Year, 1896.	Year, 1895.
United States ..	.. .. ..	2,868	2,923	98,964	126,502
British North America ..	.. .. ..	307	213	15,310	16,622
Australasia ..	.. .. ..	629	622	10,286	10,567
South Africa ..	.. .. ..	1,323	1,381	24,558	20,234
Other places ..	.. .. ..	1,078	873	12,821	11,256
Total		6,205	6,012	161,939	185,181

¹ In the *Labour Gazette*, Jan. 1897.

That the above figures are somewhat remarkable in themselves, even at a first glance, and in their bare representation by the Board of Trade, will hardly be denied; and, for myself, I can say that when, after a little consideration of them, I discovered the simple fact that the United States absorbed considerably more of our surplus population than the whole of our British colonies combined, I could hardly have credited it had it not been guaranteed by such unimpeachable testimony.

We are, then, face to face with an extraordinary problem which may be briefly stated thus. While we ourselves possess in almost every quarter of the globe, large, fertile, and practically unpeopled territories, all of them capable, and some of them extremely desirous of a large increase of population, we are yet yearly sending away to one alien territory—a vast and wealthy territory, it is true, but still only a unit, and in size inferior to our own contiguous dominion of British America—a surplus population considerably larger than that which we send in the same time to all our British colonies combined. What is the reason of this extraordinary fact, of the existence of which so much ignorance seems to prevail, while those who do know seem utterly heedless of its importance? And yet that it is a matter of national, nay, of imperial importance, can surely hardly be gainsaid by any to whom the future of the empire seems a subject worthy of the least consideration. Even from a commercial point of view the question is of first-rate importance, when we remember that every emigrant is a purchasing machine, whose average potential capacity is bound to enormously increase, first of all by the mere increase of population amongst those who have emigrated, and secondly because out of every thousand of the poorest emigrants to a new country, it is certain that some will attain to positions of great wealth, and therefore purchasing-power. The individual poor emigrant no doubt may not seem a very interesting personage to the casual spectator of the departure of an emigrant ship, as he stands shivering in the steerage of the great liner ere she departs from Liverpool or London, with his forlorn fellow-emigrants huddled around him like sheep in a pen; but I dare say the original

Rockefeller or Vanderbilt looked equally uninteresting and felt equally forlorn. And the commercial view is not the only, or even the most important aspect of the matter. The strength of every country, and especially of every new country which has plenty of room for increase of population, financially speaking, consists largely, though not altogether, in its numbers. So long, at least, as there is an acre of land uncleared, a man merely qua man is worth something, even if we do not go so far as Carlyle in saying that "a white European Man, standing on his two Legs, with his two five-fingered Hands at his shackle bones, and miraculous Head on his shoulders, is worth, I should say, from fifty to a hundred Horses!" Let us take a lower and more practical calculation, which I have seen advanced as approximately correct, namely, that the value of an able-bodied man to a new country may be roughly estimated at £100 sterling. Dividing, then, the sum-totals of emigrants by two—to allow for the loss occasioned by children and infirm persons, though it should be remembered that the children represent able-bodied men and women *in posse*—we presented last year to the United States £4,948,200 worth of emigrants, while to the whole of our British colonies we only presented £3,148,750 worth, and to the great dominion of British America the paltry sum of £765,500 worth of the same valuable commodities.

I have heard it alleged by a high statistical authority that the chief factor in determining emigration to any particular country is the cheapness of the passage. No doubt this is to a certain extent true. By far the largest proportion of the emigrants from any country are those who have some, often considerable, difficulty in scraping together sufficient funds to pay even for a steerage passage across the Atlantic, and who, on arriving at their destination, are compelled at once to seek some form of remunerative employment in order that they may live at all. But in the case before us the allegation does not seem sufficient to explain the actual facts as we find them. In the first place, it is certain that persons in the poorest circumstances do in one way and another manage to find their way to the Cape, New Zealand, and Australia; and, in the second place,

the mere cheapness of passage applies almost as much to the great Dominion of Canada as to the United States themselves. I think, rather, that the main reason for the enormous excess of emigration, especially amongst the poorer classes, to the great American Republic may be summed up roughly under the general explanation of ignorance. Notwithstanding the general spread of knowledge amongst the masses, and the influence of free education, it is perfectly amazing what ignorance of all countries outside England still prevails amongst the working classes, and especially amongst those who are by their life and training most fitted for emigration—the agricultural labourers of Great Britain. I doubt if it is any exaggeration of the facts to say that, for the average agricultural labourer, the world is roughly divided into two portions—England and “furrin parts.” I remember being particularly impressed by this fact when residing for a short period at an agricultural college in the east of England. If any of the agricultural poor might have been expected to have some slight general knowledge of the great divisions of the world and their more salient characteristics, it would surely have been the ploughmen and farm hands connected visibly and continuously with a great emigrational institution. These men were brought into contact almost daily with students who had already in most cases decided on the particular colony in which they meant to try their fortune. By the whole number of students at any particular time almost every part of the world would be represented *in futuro*, and with many of these students each of these farm hands would constantly spend hours of the day, imparting instruction in the use of the plough, etc. There were thus abundant opportunities given for exchange of ideas; yet the crass and utter ignorance displayed by some of these men was to me almost a revelation. I remember in particular the stolid look of disbelief which passed over the face of a ploughman, who had asked me where I was going, when I replied that the country lay immediately underneath us at the other side of the earth. He evidently thought that I was simply lying.

If this explanation of “ignorance” be true, and for myself

I can see no reason to doubt it, then the enormous and continued preponderance of emigration to the United States admits of an easy explanation. By the force of various circumstances the great Republic has been advertised amongst the poorer classes of Great Britain in a way which no other country has been able to approach. Advertisement here, as elsewhere, has been the secret of success. The average man may be technically ignorant of the merits or names of various soaps, but unless he be blind he can hardly for long be unaware of the existence of a soap named "Pears," or that it has been "recommended by the highest medical authorities." This fact is driven into him on all possible occasions, till for all practical purposes he becomes unaware of the existence of any other. So has it been with the advertisement of the United States. I do not, of course, mean to say that the process has been open or organised. But it has none the less been existent and effective. It began with the War of Independence. There is nothing that advertises a country like war. It received an enormous impetus from the war between the Northern and Southern States. In the mean time, emigrants had been pouring into the States, which for the whole long period between those two wars, and even afterwards, undoubtedly offered a magnificent field for emigration: there being still plenty of room in one of the vastest and most fertile and accessible countries of the globe. Every emigrant acted as an unpaid advertising agent amongst the relations and friends whom he had left behind in the Old Country. Enormous fortunes were made, especially with the advent of the railway, and the report of these—not, we may be sure, unexaggerated—was an additional advertisement to the wealth of the country, and the ease with which money could be made. The Alabama claim was another distinct and splendid advertisement. As I have already said, there is nothing like a contest to advertise anything or any one. Some years ago, I was looking on at the Eton and Harrow match in company with a Harrow master, who was an ultra-enthusiast for the school on the hill. Nevertheless he said—

"This match is a magnificent gratuitous advertisement for Harrow. If the match were removed from Lord's, I don't suppose it would make

much difference to Eton, because of her traditions, and her unique situation. But the mere fact of the match being played here, brings Harrow prominently before the eyes of the world and of English society, and if it were given up we should find the difference."

I think my friend was right, and without going so far as to compare Harrow to the Republic, or England to her greatest school, I think it may be confidently said that the various contests of the United States have been magnificent, though certainly costly advertisements of their existence and resources. But the question which we have now to answer is this: "Do the United States still offer such an exceptionally brilliant field for emigration that we can regard without indifference the fact that they still continue to absorb a larger part of our surplus population than all the British colonies combined?" If they do, of course there is nothing further to be said. Even if we ourselves might be tempted to regard it as a matter of regret that our own colonies were suffering from want of population, when an alien country was absorbing an enormous surplus of British subjects, it would be folly to suppose for a moment that for merely sentimental considerations we could check even in the smallest degree the natural and legitimate desire of every emigrant to better his condition as far as possible in a new country.

But if it can be shown that at the present time the United States no longer offer exceptional advantages to the would-be colonist, and especially to the agricultural colonist, the whole matter assumes a very different aspect. It would then become our duty, not only in the interests of the empire and the several British colonies, *but also in equal measure in the interests of every individual British emigrant*, to spare no effort in directing the stream of British emigration to what should be its natural course, namely, the occupation and fructification of British territories.

That the United States no longer offer any exceptional opportunity to the agricultural emigrant is a fact, which can hardly now be disputed. All the best part of the land has now passed into private hands, and the fiscal policy of the Republic

is in itself by no means conducive to prosperous farming. Indeed, it is an equally undoubted and remarkable fact that many farmers in the United States are crossing the Canadian boundary, simply because they find that the virgin lands of the great North-West Territories offer a better field for settlement and enterprise than their own country can now afford them. Moreover, even in the towns, though there is of course great wealth in some hands, there is at the other end, especially in such centres as New York and Chicago, the most heart-rending and squalid poverty, which equals, if it does not surpass, anything similar in London, while the corruption of civic bodies in the Union, and the reckless squandering and misappropriation of public moneys which thereby occurs, is unfortunately a matter of common notoriety. That the people themselves are by no means contented with the present conditions of things is abundantly clear, not only from the Chicago riots and the spread of Coxeyism, but also and chiefly from the amazingly sudden access to influence and popularity of the Bryanite party, whose leader may be said to represent in himself that eager desire for some sort of change which is so conspicuous in large masses of the population of the various States at the present time.

But of all this the average poor British emigrant remains unhappily ignorant. The name of the United States is still to him an El Dorado, where he fancies he has only to land to pick up the almighty dollar, and so long as this ignorance remains, so long will the United States continue to absorb the larger part of our poorer British emigrants.

That ignorance is the chief factor at work is surprisingly borne out by some statistics which I have made out from the "Old Students' Directory" in *Colonia*¹—the official publication of a College which was expressly founded, some ten years ago, for the purpose of imparting general farming and other knowledge to those who intended to emigrate to the Colonies. The total number of students who have emigrated to various parts of the world since the foundation of the College, as given

¹ *Colonia: The Colonial College Magazine*, Hollesley Bay, Suffolk, England. December, 1896.

in the last directory, is 219. This number, of course, does not represent all who have passed through the College. Some have omitted to give their addresses when settled in their new destination; others have first gone to farms in England, and have therefore not been included; while others, again, have not emigrated at all, but have preferred to remain in England as land-agents and the like. Otherwise the directory is as complete as can be required, and, moreover, it should be noted that the lists are made up, not of the mere probable destination of the emigrating students, but of their actual addresses, when they have arrived, and are already in most cases engaged in the particular form of industry which they have decided to take up.

The following table groups the students who have emigrated since the foundation of the college :—

British North America	41
United States	34
New Zealand	37
The Transvaal and Orange Free State	10
Other British possessions (including Ceylon, India, Cape, and Australia, etc.)	86
Other countries (chiefly South American Republics)	11
Total	219

The facts of emigrational tendency, as revealed by this table, are certainly quite as remarkable in their way as those set forth by the list of general emigration which we first considered. The list we are now considering represents, above all things, *emigration guided by knowledge*. There is no place in the British Isles, not even including the Colonial Office, where more accurate, reliable, and up-to-date information about the various colonies is possessed than at the Colonial College. Moreover, this information is constantly being added to and extended by the letters received (and published in *Colonia*) from every part of the world. On the annual speech-day, gentlemen representing the interests of the most diverse colonies and countries come down and address the students on the relative merits of the places which they officially or non-officially represent; while lectures are occasionally given at other times by the respective agent-generals and other well-informed experts on

similar subjects. Nor are the British colonies alone included in these addresses: fruit-growing in California and the like, are subjects which in this way have been particularly brought before the notice of the students. Last, but not least, there is an excellent library in the college, specially devoted to the purpose of giving the most varied and recent information about all countries which may be of interest to the would-be emigrant, and selected with the most catholic impartiality.

There is, so far as I am aware, no particular desire amongst the students to continue to live under the folds of the Union Jack. On the contrary, the one idea, as amongst all classes of emigrants, appears to be to better themselves as far as they can do so in whatever part of the world may seem to offer the best advantages. The only thing which differentiates the emigrational tendency of the students of this college from that of the main body of British emigrants is, that while the latter are almost totally ignorant of the advantages or disadvantages connected with this or that country or colony, these students are possessed of the latest and most accurate information, and *use it according to their respective judgments and requirements.* What are the results? Simply that, instead of the United States absorbing the larger part of intelligent British emigration, *they take less than 17 per cent.*; while, not only British North America, but also the comparatively small colony of New Zealand, by itself absorbs more than the country which is attracting such an enormous proportion of those British emigrants whose number is proportionate to their ignorance.

Some part of this result might, perhaps, be attributed to the influence of the powers that be. As a matter of fact no such factor exists. On the contrary, the director of the Colonial College, Mr. Robert Johnson, is a philo-American of the most pronounced type, whose sympathies are warmly, I might almost say too warmly, on the side of the United States; and one of the most remarkable features of the dining-hall in the college is a flag in which the Stars and Stripes have been blended with the Union Jack and the ensigns of the respective colonies.

These figures, then, so far from representing any bias or

external directing force, represent nothing but the *absolute emigrational attractiveness of all the different countries of the world as determined by practical knowledge and nothing else.* They are, indeed, approximately what any one might have expected to find who had a good general knowledge of the advantages offered by the various countries.

Take, for instance, the relative figures of British North America and the United States.

The two countries lie side by side. The passage to the two is almost equally cheap. They are both possessed of vast territories, magnificent resources, and many kinds of climates. But, while the one is comparatively populous, owing to the enormous number of emigrants whom she has attracted, and is still attracting, from all parts of the world, the other is still comparatively empty, and has in her North-west Territories vast regions where land can still be obtained from the Government for nothing. To such an extent, indeed, does the facility of obtaining land preponderate in favour of the British division of these two adjacent countries, that, as has already been remarked, many farmers from the United States have settled in the North-west Territories, and the process of migration continues. On the other hand, in the matter of climate, the United States have certainly, in popular opinion, and, perhaps, to some extent in reality, the advantage, though the severity of the Canadian winter has undoubtedly been much exaggerated. It is clear that the students of the Colonial College, weighing all these things together, have decided in favour of Canada to the extent of a surplus in her favour of about 20 per cent.; while, so far as the emigration of these students to the United States is concerned, it must be added that the greater part of them (twenty-two in number) are settled in the single State of California, which seems to offer great advantages for fruit-growing purposes, and which has the additional advantage of a large educated English population, so that, if it were not for the exceptional advantages supposed to be offered by this one great fruit-growing centre, the figures would be very much more in favour of British North America than they are.

Moreover, it should be remembered that one factor which might reasonably be supposed to exercise some weight in determining the choice of settlement does not probably count here for anything at all. To men of maturer years the certainty of better government, and the comparative freedom from civic or municipal corruption offered by the Great Dominion, would certainly seem an additional reason for deciding in her favour. But with the students of the Colonial College, many of whom leave England before they are twenty years of age, this factor is, I believe, of no weight at all.

When we come to compare the United States with New Zealand, which also, in our second table, is seen to attract more emigrants than her great rival, the case is, of course, different. The advantages of New Zealand are too obvious to need much repetition. In no colony, except possibly in Tasmania, which is much smaller, are the climate and general characteristics of English life so closely reproduced as in New Zealand. It is on the whole a land of great fertility, with plenty of room still left for the would-be colonist, and yet already in a high state of civilization, while it possesses in addition the undoubted advantage of having been peopled at the outset by a very desirable class of emigrant. The only drawback to New Zealand is its remoteness from the British Isles, and the consequent cost of getting there. In the table before us this factor does not probably count for much, because on the whole the students of this college, though not on the average overburdened with this world's goods, have probably, at least, sufficient to make the few pounds' difference in a voyage to America or New Zealand a matter of comparative indifference. With the main body of British emigrants the case, of course, is very different, and the cheapness of the voyage to the United States fully explains its greater popularity to the Australian colonies, though it does not explain the choice between the States and British North America.

We have now compared two different classes of emigration, the first of which may be termed "emigration by ignorance," and the second "emigration by knowledge." We have seen

that in the second class the balance in favour of the United States is completely altered, and in particular that British North America here has a well-merited advantage over her great neighbour. We have seen also that in this class other British colonies—notably New Zealand—have a similar advantage, though here the scale has probably largely been turned, owing to the fact that the cheapness of the voyage has no longer been the most important consideration to the emigrant.

It remains to consider what remedies can be applied to altering the present state of general British emigration, and, so far as possible, bringing it into correspondence with the relative emigrational tendencies displayed in the table, which we might label “*Emigration guided by Knowledge.*”

That something should be done, that some effort should be made to turn the tide of British emigration to its natural channel, is of the most vital importance, not only to the empire as a whole, but to every part of it individually, and especially to the mother-country. The history of all empires may be summed up in the words “birth, growth, pause, and decay.” The growth of large towns and the decay of the agricultural industry have in all cases been the sure sign of approaching dissolution. But in our days we have witnessed an extraordinary and unique phenomenon. With the birth of her colonies England has renewed her youth. The process of town-making has not ceased, but *so far as the empire is concerned*, it has relatively receded instead of advancing. In an old country the scope for extended agriculture is necessarily limited by the amount of land available, and as soon as that limit is passed, the increase of the urban over the rural population proceeds at a rate of almost geometrical progression. In England, viewed as a country by itself, the process is going on at the most alarming speed; but if we view England as part and parcel of a great empire, there is no cause for alarm. On the contrary, in many of her colonies the sons of brain-workers, and even brain-workers themselves, are turning to a rural life. The first farmer I spoke to in New Zealand had been a board-school master in Worcestershire. A few miles off, while being driven to see a well-known beauty-

spot, we passed a spectacled man on horse-back. I inquired of the coachman who he was. He proved to be a Cambridge man, a winner of "Colquhoun sculls," who apparently had as great a reputation for farming as he had previously had as an oarsman on the Cam. Close by to where I am living there is a retired Government printer, three of whose sons are farmers, while the fourth is the owner and manager of a bush saw-mill. The vigour and vitality of the soil are imparted in a generation or two even to a town stock, and the process is accelerated by intermarriage. For, after all, it is with the agricultural emigrant, or at least with the emigrant who intends to devote himself to agriculture, that we are chiefly concerned. "Fill up the agricultural districts, and the towns will fill themselves" is the one important principle which we should bear in mind in endeavouring to shape the course of British emigration.

The question we have to consider really divides itself into two parts. In the first place, what can be done to turn the balance of British emigration to America in favour of the great Dominion? The answer in this case may roughly be summed up in the words, "Aim at the spread of knowledge." At present, the most desirable class of emigrants—the surplus farm hands and agricultural labourers of Great Britain—are just the class who do not know, and are not put in the way of knowing anything about the advantages which Canada has to offer. Casual lectures in this case are no good. Lectures are really only of any effect in centres of population, and they demand a certain amount of knowledge and intelligence in the audience, which in this case would be wanting. Some time ago a lecture was delivered to an agricultural audience in East Anglia, the subject being "the moon." A farm hand was heard afterwards to deliver the following criticism: "What does he know about the moon? He's never *been* there!" Moreover, the work of instruction, to be of any practical value, must not be occasional and spasmodic, but continuous and methodical. The only real way to reach the agricultural labourer is through the board or village school. That which is taught systematically and thoroughly to the children, will gradually and in some measure

come to the knowledge of the parents; and, in any case, if the rising generation can be made to thoroughly understand something of the resources and opportunities of the distant territories of which they are part-inheritors, much will have been accomplished. Why should not a thorough grounding in the situation, resources, and in every subject connected with the claims of British North America—including, of course, the various routes, and the cost of getting there—be made a regular part of the curriculum of our village schools? This knowledge might be supplemented and made more real by an occasional lecture with the magic lantern to the school-children, to which all parents should also be invited. In such a lecture every phase of agricultural life in Canada should be clearly illustrated by photographs taken on the spot.

For this end it can hardly be doubted that the Canadian authorities would be willing to supply a competent lecturer and to pay his expenses. Lectures of a similar kind are already given, but the difference would be that, instead of being, as now, occasional, and delivered to an audience possessing no previous knowledge of the subject, they would under these new conditions be the crowning-point of a regular system of organized instruction. The system might be indefinitely extended. Other ways of spreading the knowledge of our resources in British North America will no doubt occur to every reader, but I content myself with mentioning the minimum of what might be done from a merely educational point of view.

So far as Canada is concerned, education alone would probably do much to turn the tide of British emigration in her favour. But when we come to the other British colonies, we must supplement instruction by a direct pecuniary effort; and, to me at least, it seems that we have a right to demand State aid, if we can show that the money spent will in any way be reproductive.

The facts of the case are briefly these. Last year Great Britain lost in emigrants to the United States approximately ninety-nine thousand persons, all of whom might conceivably have gone instead to fill up the vacant lands of her own empire, and who certainly would have gone, had they thought their

individual chances would have been bettered by so doing. That these figures represent a direct pecuniary loss, cannot surely be denied, whatever difference of opinion there may be as to the exact value in pounds, shillings, and pence. This loss equally affects the mother-country and her individual colonies: and it is to the interests of both *to spend at least a smaller sum to save the loss of the larger*. So far as resources are concerned, the mother-country and her colonies are in very different positions. The mother-country has abundance of money, but no Government land. The colonies have nearly all abundance of land, but very little spare cash. I would suggest, then, a scheme on approximately the following lines, to be confined, certainly at first, and to my own mind in its entirety, to agricultural emigrants. That the pecuniary value of a skilled farm hand emigrating with his family is considerably over one hundred pounds sterling cannot, I think, be denied. Let the mother-country, then, contribute one hundred pounds in cash for every agricultural emigrant settling with his family in any of her colonies on the condition that the colony in which he settles gives him a free grant of one hundred pounds' worth of Crown land at the value at which such land is sold at the present time. Let that money be paid to the settler in three or four yearly instalments, payment to begin as soon as he is actually settled on the block which he has selected. In the case of distant colonies, such as the Australian colonies, where the would-be emigrant cannot raise sufficient money to pay his passage, let the mother-country and the colony of his destination pay respectively half the amount of the passage money which he cannot pay himself. Let the scheme be tried on a small scale at first, with ten or twenty emigrants to each colony willing to give the necessary amount of land. It can then be modified as experience may dictate; but if the thing be put on a proper basis at starting, I believe it would pay the mother-country to contribute as much as a million a year eventually for this purpose. But it is above all things necessary to move slowly and prudently at first. At the present time most of the Australian colonies have ceased to give away their Crown land.

A few years ago, however, several of them made grants of various sizes to new-comers. The system has been stopped, not, in my opinion, because it might not have been a real advantage both to the emigrant and the colony, but because of the imprudent and utterly unsystematic manner in which the land was granted. In the colony of Tasmania, for instance, a grant of seventy acres was made by a "location order" to a new-comer, totally without regard to his qualifications for its use. The consequence was that the land was given to persons who did not, and never intended to, make any use of it; and who, in most cases, either held on for a rise, or sold it for what it would fetch. Of course the thing had to be stopped; but the fault lay not in the principle, but in the amazingly unsystematic and improvident manner in which the land was given. Similarly, in the same colony, assisted passages were stopped, largely, I think, owing to the inconveniences which had arisen from the same want of care in the selection of proper and fit recipients, though the plea was, I believe, want of money. That assisted passages should have been continued to agricultural labourers and the like, and to them only, I have myself no manner of doubt. I have had a striking instance of their advantage, when given to proper persons, under my own observation. About ten years ago a Berkshire agricultural labourer, C—— by name, came out to Tasmania with his wife and, I think, four children, though the family has considerably increased since then. This man in England was only earning about twelve shillings a week, and his wife herself told me that they only had fresh meat once a year. Without an assisted passage he could never have come out, and, as it was, when he landed in Hobart, he only had five pounds in his pocket, much of which was spent before he reached the place where he was offered work. He has now about seventy acres of land of his own (he has had to purchase whatever land he possesses, as the location orders had ceased), a cottage, two or three acres of orchard (which will soon be in full bearing), cows, a good garden, potato-land, a raspberry-bed, etc. All the time he has had to do outside work to get on at all, but he hopes soon to be in a position to

support himself entirely off his own land. He came out in absolute ignorance of what Tasmania was like. He had heard that land could be bought for £1 an acre, and expected to find grass paddocks, and was bitterly disappointed when he saw the Tasmanian forest instead. Nevertheless he soon found that he had done well in coming, and was so satisfied with his surroundings that he wrote to his brother to come and join him. His brother fully intended coming, when assisted passages were stopped, and consequently he was unable to raise the necessary money, and never came at all. But if the mere aid of an assisted passage thus turns the scale in favour of emigration to a distant British colony, how much more would this be the case if an emigrant knew that on landing he would be provided with a certain acreage of land, and would, moreover, receive for three or four years ten or twelve shillings a week to enable him to live and work on his land till it became reproductive? At present it requires a high degree of faith for a British farm hand to emigrate without means to a distant country of which he knows practically nothing at all, and he must possess in addition no small portion of that "robur et aes triplex," which the Roman poet tells us encased the heart of the first adventurous mariner.

But if State aid is imperatively required in order to people satisfactorily any of our colonies, and especially our more distant colonies, with the most desirable class of emigrant, namely, the skilled and sturdy farm hand, none the less is it, I think, desirable that something should be done to direct the large stream of middle-class emigration, as represented chiefly by the young men who have just left a public-school, towards our British colonies. I have already made some mention of the Colonial College. It is an institution, unique of its kind, founded entirely by private foresight and enterprise, which, during the comparatively few years of its existence, has already done yeoman service in fitting its students for colonial life. This college should surely receive official recognition and support, first of all by being incorporated by charter as the Royal (or Imperial) Colonial College; and, secondly, by receiving

some financial aid to enable it to carry on still more successfully the work in which it is engaged. While not prepared to bring forward any elaborate scheme, I would suggest that a simple and practical method of assistance would be to give the college a grant of from ten to twenty pounds for every student who should in future settle in any British colony.

But State aid is not the only kind of aid which should be forthcoming. I have already touched on the fact that every emigrant may be regarded as a purchasing-machine, with potentially increasing powers. *Every emigrant to a British colony is a purchasing-machine for goods of British make.* What he has used in the old country, that he still uses when he is settled in his new home, and as his means increase, his purchases of British goods increase also. Such articles as Pears' soap, Keen's and Colman's mustard, Fry's cocoa, and the like, are generally to be found even in the smallest colonial township store; and I believe it would be well worth the while of the owners of these and similar well-known articles of daily use, to contribute liberally to the funds of any society which might be started with the object of promoting British emigration to British colonies. Such an outlay would, from a commercial point of view, repay these gentlemen in the long run, and would in addition be a splendid advertisement of their wares.

And now let me briefly sum up the main points discussed in this paper. (1) I have shown, from the most recent and reliable statistics available, that there is an enormous preponderance of general British emigration in favour of the United States. (2) I have endeavoured to show, partly from various facts, and partly from equally reliable statistics to those first quoted, that the British colonies offer equal, if not greater, advantages to the British emigrant, and that the main reason for the present state of things is the ignorance of the average British emigrant. (3) I have argued that, to remedy this, a vigorous effort should be made, (a) by a complete system of popular instruction in the case of Canada; and (b) that in the case of the more distant colonies, this instruction should be

supplemented by State-aid on the part both of the mother-country and the respective colonies, so that to the agricultural emigrant at least the extra expense of the passage money may be removed, and, moreover, the further incentive be given of a certain acreage of free land, and a certain provision to tide him over the first years until he can earn a living from the cultivation of his own soil. And I may here remark that, so far as the colonies are concerned, the grant of a certain amount of land would cost them practically nothing. Such land in its present state brings them in no returns, and never will until it is occupied and put to use; whereas the moment it is so occupied, the State receives a double return—first of all from the actual taxes on the land, and, secondly, from the indirect taxes which accrue to her from the occupier through the customs. Let me add one word in conclusion. If the idea of direct pecuniary aid and a free-land grant to the agricultural emigrant should seem too revolutionary, at least let the principle of assisted passages be revived in all the colonies. Let this assistance be given only to *bonâ fide* agricultural labourers, in such a way that the cost shall be divided equally between the mother-country and the respective colonies, and let the sum given be so calculated as to reduce the actual cost to the intending emigrant to at least a pound below the cheapest passage to the United States. This, at least, is not much to demand, and it could be tried on a limited scale at first. One thing is certain, that until we are ready to make some slight sacrifice, we shall continue to witness, in the annual exodus of our own people to an alien country, a loss which, when once it has occurred, can never be repaired.

R. E. MACNAGHTEN.

POOR LAW REFORM.

THE poor are always with us, and the question of poor-law reform lies behind almost every great problem that is presented to the practical legislator. To-day it is the condition of our military forces which brings home to us the fact that the army of vagrants is between two and three times as great as in 1890, and that 20 per cent. of them have been at some time in the military service. Yesterday it was the education question which reminded us of the scandalous state of some of the children brought up under the poor-law. To-morrow, perhaps, the commission of some awful crime will forcibly impress us with the enormous rise of pauper lunacy, and the fact that, as a Liverpool magistrate recently stated, large numbers of pauper lunatics are still at large, owing to the want of proper workhouse accommodation. In another year or so, if not before, the question of the unemployed will be upon us again, and doubtless in its train more proposals for an unlimited supply of outdoor relief, under the name of out-of-work pay and old age pensions. It may therefore be of interest to the public to cast a glance, however fleeting, over the whole field, some portion of which Parliament is sure to have to review, either in initiating fresh legislation or in controlling existing administration.

There is no want of materials on the subject. Within the last few years there have been a Royal Commission on the Aged Poor, a Select Committee of the House of Commons on the Unemployed, and a Departmental Committee on the Metropolitan Poor Law Schools. Year by year the Local Government Board issues the report of its poor-law inspectors, and admirable papers are read by experts at the poor-law conferences, not to mention the vast literature of a permanent scientific value which the English poor-law system has called forth.

The poor-law children are the most important material for reform, for here there is little doubt that reform is possible, whereas doubts are often expressed by experienced persons as to the reform of adult and aged paupers. At the outset, one cannot help expressing one's surprise at the indifference displayed by the Established Church as a body to this vital question. One would have thought that the undoubted abuses which have been revealed would have roused every clergyman who occupies a pulpit in England; but it is from the Methodist group of churches that the first proposal has come to take all the children belonging to their denomination right out of the hands of the poor law. There are fifteen hundred Methodist poor-law children, and Dr. Stephenson's proposals are now being considered by the Wesleyan Methodist community.

What are these abuses? First and foremost there are the children known as the "ins and outs," who are dragged by their parents in and out of workhouses—a familiar sight to every one who uses the high-road—often with the express purpose, and always with the result, of depriving them of part, if not all, of the small education open to them. A rough idea of the number of such children in England can be given by saying that there are in England 238,489 children dependent on the rates, and about 18,000 in the metropolis alone, of which 14,000 are in the metropolitan poor-law schools, and that in one year in these schools the percentage of admissions and discharges were 63 and 64 per cent. respectively. One case is recorded in which one family was taken in and out of one workhouse alone sixty-two times within thirteen months. The effect on the children is to ruin their health and morals, as well as to deprive them of education. The effect on the poor-law school is to dishearten the teachers and to demoralize and infect the other pupils, while the effect on the parents is to deaden all sense of responsibility. Miss Florence Davenport Hill in her evidence likens these children to the buckets on a dredging-machine: "They come in and out from all sorts of horrible places and scenes of vice and mix with the children in the school, and are constantly turning their moral filth on them." The chairman of the Whitechapel union states

that from these children comes "the large class of loafing boys that we see about the streets, many of whom ultimately drift into the casual wards." The Local Government Board has long been aware of these evils, but has done nothing to remedy them. The law should be altered so as to deprive such parents of their parental rights and punish them by detention, and, if necessary, hard labour. Further, the local authority should be obliged to provide special intermediate schools, like the successful institution provided by the managers of the Kensington and Chelsea district at Hammersmith, for these most unfortunate children.

Ever since 1841 the Poor Law Commissioners and their successors, the officers of the Local Government Board, have pointed out the evil results of bringing up pauper children in the workhouses in close contact with pauperism, vice, and crime. Such children are not only brought up amidst the worst associations, but in many cases there is no provision for their education, classification, and supervision. Separate homes should be provided for their temporary reception; and this in London alone will be a considerable task, for in November, 1894, there were 3000 children in metropolitan workhouses, of whom 2000 were over school age. The master of the Greenwich workhouse, to cite only one instance, speaking as an experienced teacher, says that the condition of the children in that workhouse "is most deplorable." "The able-bodied paupers with whom they associate are of a very bad class, almost verging on criminal, if not quite."

There is a particular class of children—those remanded to the workhouse under section 19 of the Industrial Schools Act—to which special attention should be invited. How children may be treated in England at the end of the nineteenth century, may be judged from the fact that members of the Departmental Committee, which reported in 1896, found six boys so remanded in a room fourteen or fifteen feet square, and eight or nine feet high—

"The door opened into a narrow area, railed in at the top with iron bars. The boys were kept locked up day and night. There were no tables or chairs, only six beds turned up during the day. They were

eating their dinners on the floor. They had no employment of any kind. They were in charge day and night of a young man, a pauper of the 'in-and-out' class. For washing purposes a pail was brought in. Some had been living in this state for upwards of three weeks."

In the week preceding the visit which disclosed this state of affairs, the number of boys so detained had been fifteen, and they had slept three in a bed. In the same workhouse, in the ordinary receiving ward, there were three girls associated, in the words of the official report, "with a woman who had just come in off the streets."

Reform has been promised by the Government as to London, but we have no such promise as to the provinces.

The dangers to which poor-law children are exposed without protection, do not stop when once they are launched on the world. The poor-law authorities have practically no power to protect such children from undesirable relatives, who take them from their situations in order to get the outfit of clothes provided by the guardians, or from unscrupulous employers who bully them during their term of service. More powers should be given to the boards of guardians, who can now only visit and inspect till the boy or girl reaches the age of sixteen, and can only interfere even then when there is evidence of actual cruel treatment. But above all, more support should be given both by the guardians and by the public to those admirable institutions, the Metropolitan Association for Befriending Young Servants, which works in London, and the Girls' Friendly Society, which works in the provinces. The Girls' Friendly Society is at work in 450 out of 649 provincial unions, and it should be allowed to extend its operations; for whereas in former years one girl in five used to be returned to the workhouse, the proportion is now one in fifty-two. Similar societies are urgently needed for boys; there are at present only a few like those founded by Mrs. Lascelles and the Rev. Brooke Lambert in existence, and they are on a small scale.

It is almost incredible, but there is at present hardly any special accommodation for feeble-minded—and, I am told, none for epileptic—poor-law children. Out of 9800 poor-law children

recently examined in London alone, 211 were proved to require special treatment, and 8 per cent. were mentally dull. There are, it appears, in all England only seven small schools for feeble-minded girls, accommodating 127, and few, if any at all, for boys. With regard to epileptics there is no sign of reform; but steps are under consideration with regard to feeble-minded poor-law children in London, though no promise has been made with regard to the provinces.

It should not be forgotten that, heavily handicapped as pauper children are, the teaching staff appointed for them, under the regulations of the Local Government Board, is on a lower footing than the teachers employed in ordinary elementary schools, and the curriculum is sadly out of date. There can be no doubt that there is need for a higher standard and better pay for the teachers; while as to the curriculum, one need only remark that there has, it appears, been hardly any addition to the educational programme since 1847, though it is true that in 1878 an extension was made, which was described by the education inspector as "very optional." Drawing has been introduced, no doubt, of late; but simple exercises in English grammar and analysis, and systematic lessons in geography, history, and elementary science form no part of the scheme of instruction or of the examination by the inspector.

This brings us to the question of the barrack schools, which one may describe as schools, the larger of which contain from seven hundred to fifteen hundred children, who are immured with the teachers from year's end to year's end, often without break of any kind. The question of the great cost of such schools, and their disastrous effect in many cases on the health, education, training, and morals of the children are notorious. Their drawbacks were brought to the notice of the Local Government Board in 1878, and they were condemned by a select committee of the House of Lords in 1888. As far as London goes, the present Government has promised that they shall be abolished, and some steps have been taken in that direction; but we have no such promise as to the provinces. It should be added that the expert inquiry concluded in 1897 fully bears

out what has been said of the influence of the schools in the spread of ophthalmia; and ophthalmia, one need hardly add, apart from the suffering it inflicts, not only deprives the child of its education for the time, but in some cases of all prospect of earning its living.

Reform is urgently needed in the composition of many boards of guardians. Some, I need not repeat, do their work admirably, but others, as all poor-law experts know, stand much in need of fresh blood, and especially of women members, who have done such excellent work as guardians in the last few years. This is a matter in the hands of the ratepayers and the public, as to which the Government is powerless. But reform is also urgently needed at the Local Government Board, where, excellent as many of the officials are, they are overloaded with duties no human being can perform. I may mention that, unless a change has been quite recently made, one medical inspector, besides other duties, is responsible for seventy-four thousand beds; and one lady inspector, besides other duties, is responsible for eighteen hundred children boarded out beyond the union. Now, boarding out is in some ways an excellent method of dealing with poor-law children; but it requires not only active local committees, but adequate supervision from the central office. One should add that, with regard to London, the Local Government Board has no other means of enforcing its orders than by declaring the guardians to be in default, and omitting their union from the next precept for repayment from the Metropolitan Common Fund, a method so cumbersome, and involving results so serious, that it is rarely resorted to. Under these circumstances it is not surprising that, although the Local Government Board is often aware of breaches of the law, as well as other abuses, nothing is done. For instance, the law with regard to the employment of half-timers was systematically broken for nineteen years; and the facts mentioned in the present paper are well known at the department. But, all things considered, one need not perhaps wonder that at the recent inquiry it appeared that important letters had remained seven years unanswered, that serious recommendations from inspectors

were systematically ignored, and that some abuses have been unreformed for more than half a century.

The time has come for a thoroughgoing change, and I will only add that more supervision is required for emigrant children, both *en route* and in the colonies, as has been promised ; and, above all, more training-ships are required, like the *Exmouth* and the *Indefatigable*, the latter of which, I believe, is supported entirely by voluntary contributions. These ships have done excellent work in the past, and too much stress cannot be laid on the fact at a time when English seamen are urgently required for our mercantile marine. To sum up this part of my subject, we must not rest till all the abuses referred to have been removed, and a ladder provided for these children to climb, if they have industry, ability, and character, from the lowest to the highest positions in the State.

I have dwelt at length on the abuses connected with poor-law children because they are, in my judgment, the most shameful and discreditable in the whole system ; but the evils relating to the adult and aged paupers are almost as grave, and, doubtless, to some extent, flow from the preceding.

It seems not to be generally known that there has been a most serious increase in the army of vagrants. The number reported for last year is larger than it has been for thirty-eight years, and between two and three times as great as in 1890, since when the rise has been continuous. The most modest estimate of the actual vagrant population is thirty thousand ; there are competent judges who place it at a hundred thousand ; and others, again, who believe it to be not less than a hundred and sixty-five thousand. In any case, of this great horde a very large proportion have been, at one time or other, in the military service, and hardly any in the royal navy. A poor-law inspector estimates the number of old soldiers at 20 per cent, while there are persons connected with large London workhouses who put it as high as 35 per cent. Taking, however, the official estimate, which will be fully borne out by those who have been engaged in poor-law work, it is so serious that some explanation must be given of such appalling figures before any increase in the army

can be agreed to. From the point of view of poor-law reform, the question arises whether a remedy cannot be found, to some extent, in enforcing uniformity and continuity of administration with regard to the Casual Poor Act of 1882, under which, as is well known, there is power to detain a vagrant till the second day from his admission, and to exact a certain task. This period can be extended to the fourth day if he has been received before within the month into the casual ward of the same union. The carrying out of this Act involves a heavy burden on some of the poorer unions; and a fresh classification of poor-law areas may be necessary for this purpose. At any rate, in Liverpool, and now in Manchester, a uniform system has produced admirable results.

Further, some palliation might be found for this evil, as well as for the evils connected with the unemployed generally, if the clergy would co-operate with the local authorities and the local societies for the organization of thrift and charity in assisting deserving cases, as recommended by the Select Committee of the House of Commons on the Unemployed. Such co-operation can most easily be arranged in times of comparative prosperity before the strain comes. There are other recommendations of the same committee with regard to the work to be given to the unemployed and the removal of disabilities in deserving cases, to which attention may be called. Above all, it should be remembered that what the vagrant looks for in the casual ward is a club of habitual vagrants like himself, which is precisely what the respectable man in search of employment desires to avoid; for both a system of separate cells is best.

In this connection the public should be reminded of the close relation between vagrancy and the spread of disease. Dr. Long, in his report to the Metropolitan Asylums Board in 1893, after mentioning that of 325 notifications of small pox, 20 came from casual wards, 126 from charitable shelters, and 176 from common lodging-houses, adds this pertinent observation:

“If it be true that we cannot control the disease amongst the community generally until we have controlled it amongst the vagrants, our first effort should be to prevent the disease spreading amongst them.”

A strict public inspection and control of charitable shelters is urgently required, and was demanded by a conference called by the London County Council in 1894, on the spread of disease by vagrants; and I am bound to say that my opinion of the necessity of such control has been considerably strengthened by some letters which have appeared in the *Times* this autumn, as to the state of the Salvation Army shelter, written by the Rev. G. E. Hand, curate of St. Jude's, Whitechapel.

One cannot leave the subject of ablebodied paupers without a reference to the scandalous state of affairs at Camberwell Workhouse, revealed at a public meeting in that district, apparently without any contradiction. It appears that in that workhouse there are ablebodied men capable of earning good wages, lounging about, playing bagatelle and reading novels; while one of them had the impudence to make a formal complaint because the potatoes supplied to him were not peeled. So good are the things supplied by the authorities for these pampered individuals, that men are, it appears, actually leaving their situations to go into this paradise of paupers. If any one of these statements are true—and they were, as I say, not denied—it is a matter for local indignation against the guardians but it is also a matter for grave complaint against the inspector of the Local Government Board. The principle of the English poor-law has, from the days of Elizabeth, been that the ablebodied poor be put to work; and there is a still higher maxim, that if a man will not work, neither shall he eat.

But far more serious than the increase of the adult ablebodied paupers, is the increase of pauper lunatics. In 1859 there were 31,782 pauper lunatics, and in 1897 there are 90,274; and the total lunacy of the country has risen in the same period from 18 per ten thousand to 32 per ten thousand. Some explanation of these figures is, no doubt, to be found in a better system of notification, and in the inclusion of some of the well-to-do in the ranks of paupers when they become insane; but the terrible fact of an enormous increase remains when all such subtractions have been made. Moreover, we are face to face with the difficulty of accommodating these persons, many of

whom are said to be at large owing to the want of room in asylums and workhouses.

It is with regard to the aged and infirm poor that we have most improvement to chronicle in the present century, and least reform to advocate. Whether any just and practical proposal for old age pensions—which are, after all, only outdoor relief, whether paid by the ratepayer or by the taxpayer—can be made, remains to be seen; but it is certain that under the existing law, with existing funds and agencies, much can be done to remove the abuses which still remain. Especially for this province of the poor-law we have to advocate the election of women as guardians, the appointment of women as relieving officers, as nurses, and to other responsible positions, where their special knowledge and sympathy can be of so much value. The evils which specially affect the aged poor are more matters of routine—bad diet, harsh or dictatorial treatment by workhouse officials, and the general monotony of their lives. But here, too, while anxious to do all we can for the aged, the infirm, and the sick in the workhouse, we must remember the poor outside, and bear in mind the fact familiar to every poor-law expert, that want of character and want of backbone has brought the very great majority of these men to their present state, and that they must not be placed in a better position than the independent poor. I have frequently in the last two years called attention to the necessity for the better organization of charitable funds, especially for the aged poor. The Charity Commissioners had under their control, at the time of the last return, £552,110 for pensions, and £365,729 for doles, a fund which competent authorities say has now increased by at least 20 per cent. It ought to be possible with this sum, and with the immense resources of organized thrift and charity, to prevent any deserving person from coming to the workhouse, without tampering with the sound principles laid down in the Poor Law of 1834.

There is not space here to touch on the vexed question of hospital reform, and the overlapping of hospitals and poor-law infirmaries, but it is one which urgently requires public attention. Enough has, however, been said in the present paper to show

that poor-law reform is no idle cry. With poor-law reforms must come the reorganization of the poor-law department of the Local Government Board, the reorganization of the poor-law statistics, and last, but not least, the codification and consolidation of the poor-law orders and statutes now in force, which would, I believe, if printed, cover something like twenty-five hundred octavo pages, and as to which the greatest confusion prevails even in the minds of the most experienced poor-law officials. I sincerely trust that the task will be undertaken by the present Government. The evils that I have mentioned are daily increasing in a manner that threatens the very life of the nation. Looking at one branch of those evils—those which affect poor-law children like the “ins and outs”—one cannot forget the terrible threat levelled by the most merciful Lawgiver the world has ever known against those who should offend one of these little ones. One cannot help thinking what judgment will be meted out to a nation before whom such facts are laid if they are laid in vain.

GEOFFREY DRAGE.

NOTES AND MEMORANDA.

WORKMEN'S COMPENSATION IN FOREIGN COUNTRIES.—There is a general movement in progress in most European countries with the object of passing laws securing compensation to workmen injured in the course of their employment, by some self-regulating, non-litigious process, which at the same time shall tend to the prevention of accidents. The necessity of some such measure, the justice of making the expenditure involved a trade-charge leviable upon the employer, rather than damages to be exacted at law as for "tort," and the duty of the State to watch over the application of the measure, are now generally admitted. The last draft measure which has made its appearance, that for the Grand Duchy of Luxemburg, states this in plain terms. And consensus, generally speaking, goes even further, to the point of agreeing that it is just, as well as expedient, to make no difference between ordinary cases of accident and those in which "serious and wilful misconduct" can be shown or alleged,—except by making such misconduct punishable after proof, the burden of which is to be put upon the accuser. In this general movement Germany has led the way by a bold initiative. She is now engaged in recasting her machinery, so as to give a wider extension to the application of her law and to remedy some defects of procedure. Austria, Norway, to some extent Finland, and even Roumania, have adopted laws of a similar nature. We have passed our incomplete Workmen's Compensation Act. There are draft laws now before the Parliaments of France, Switzerland, Belgium, the Netherlands, Italy, and Luxemburg. And the Governments of Sweden, Denmark, Russia, Spain, and Hungary are understood to have similar proposals in preparation. Most of these drafts, as well as the laws already actually in force, present features of difference among themselves. In reviewing them here, very briefly, it will be possible to mention only the most salient characteristic points of each.

Germany puts the entire charge of compensation upon the employer. Within the scheduled callings, which, practically speaking, embrace all industrial employments and agriculture, but not yet the artisan classes and domestic servants, it compels every employer to insure his

employees within the limit of an annual wage of £100, which may, in some cases, be extended to £250, by a mutual scheme, against every injury arising from accident in employment—giving to that term the widest possible interpretation, and excepting from such benefit only workmen who can be shown in a criminal trial to have brought their disablement *intentionally* upon themselves, or to have sustained it while engaged in committing a criminal offence. To effect the mutual insurance, every employer within the schedule is made to join an employers' corporation—extending over a trade or a group of trades in industry, or a province or state in agriculture,—which corporation is collectively liable for each distinct compensation, and raises all the necessary funds by levying contributions upon its members in proportion to the wages paid—in agriculture according to the land tax—and according to the danger class ascertained for each establishment, having power to increase the assessment and to enforce fines in the event of careless or otherwise bad management aggravating the risk of danger. Each corporation has very full powers given to it, which are freely used, to enjoin measures for preventing accidents. It inspects ; it issues regulations directing precautionary methods and appliances to be used. It is made its interest that there should be as few accidents as possible. The corporations created are entirely self-governing. The State simply supervises. Injuries are "valued" in the first instance by the employers' corporation. The workman has an appeal to a Court in which employers and employed must be represented in equal numbers, and in some cases beyond that to a supreme tribunal similarly constituted, presided over by an officer of the imperial Insurance Department, who has power to call for the assistance of legal and expert assessors. Liability to pay compensation begins at the close of the thirteenth week, counting from the day of the accident, up to which time the disabled workman is made chargeable to his sick fund, towards the funds of which employers are made to contribute one-third, or, wherever there is no sick fund, to the employer. Compensation is paid in pensions delivered through the Post Office, free of charge ; the maximum allowed being two-thirds of the injured man's wages. A smaller amount is, in addition to burial expenses, payable in case of death to "dependants." There are at present about 17,000,000 persons insured (nominally about 18,500,000 ; but at least a million are counted twice over), more than 12,000,000 of whom are engaged in agriculture. There are about 430,000 persons drawing pensions. Management expenses average about 14 per cent. of the contributions received, and the burden upon employers amounts to about 1·37 per cent. of the wages paid.

Austrian Accident Insurance has a far more limited scope, and is of a far more bureaucratic character. In respect of agriculture it applies only to labour employed in connection with machinery. In all, only about 1,600,000 persons are insured and 22,000 or 23,000 pensions are paid. Employers are, as in Germany, grouped in corporations,—not, however, according to trades, but according to districts ; and they enjoy much less self-government. It is the State which fixes the danger-risks, which prescribes preventive measures, levies fines, and hears appeals. Compulsion is made as absolute as in Germany in respect of the duties falling upon employers, and there is ground warranting exemption mentioned in the law. However, workmen are required to contribute one-tenth towards the funds, which proportion the employers, being answerable to the State for the whole, are allowed to deduct from the wages. Liability to pay compensation begins at the close of the fourth week. The maximum pension is limited to 60 per cent. of the wages previously earned, with a corresponding equivalent fixed in case of death. However, earnings are allowed to rank only up to 1200 florins (about £96) annually. The effect of the action taken by employers' corporations, under State direction, to prevent accidents is much less marked in Austria than in Germany, and the financial management, which is more costly, has led to a deficit, to meet which the authorities are now endeavouring to devise means.

Norway has an Accident Insurance law in force since July 1, 1895. Though otherwise closely modelled upon the German measure, this law dispenses with employers' corporations, and relies for administrative machinery upon a State Insurance Department, acting throughout the country, levying premiums just like a commercial insurance institution, and stationing officers in every parish. The State defrays all the expenses of the central office, and contributes one-half towards the expenses of local management. The law applies to all more or less dangerous callings, but not to agriculture. It makes compensation obligatory, except in the case of injury which a person can be shown to have brought *intentionally* upon himself. Working men in trades not scheduled, and employers in scheduled trades or such employers in unscheduled ones as insure their employees, are admitted to voluntary insurance in respect of themselves. The State Department fixes the danger risks, assesses employers, receives their premiums, inspects and prescribes preventive measures. Compensation becomes due at the close of the fourth week, at the rate of not more than 60 per cent. of the wages, reckoning such, however, only up to £67 10s. a year. Provision is made for payment of pensions to "dependants," in addition

to burial money up to 56s. in the event of death. The Insurance Department is empowered in certain cases to hand over part of the capital representing the annual pension, within the limit of five years' pensions, to the pensioner in cash. Regulations are laid down with regard to notices of accidents. Appeals go to a special tribunal of seven, composed of an official chairman, a technical expert, a medical man, two employers, and two working men, sitting at Christiania.

The Accident Insurance Law passed for *Finland* in December, 1895, is far less complete than the measures hitherto noticed. It does not appear to contain any provision with respect to the prevention of accidents. It compels employers in scheduled trades (which embrace practically all dangerous callings) to insure either with a State Department specially created, or else with some private company approved by the State.

The *Roumanian* law of the 2nd of May, 1895, relates exclusively to mines, and directs the creation of accident insurance funds, which are practically provident funds applying to all sorts of disablements, but to which the employers are required to contribute in each case the same amount as the workmen collectively. Workmen's contributions must not exceed 3 per cent. of the wages earned. Inside this general scheme a special fund has been instituted for paying pensions to workmen disabled by accident for longer than three weeks, provided that the men did not bring the injury upon themselves, *intentionally*, or else while *intoxicated*, or in a *fight*, or by *habitual misconduct*. Towards this particular fund workmen pay 2 per cent. of their wages, and employers the same amount as their workmen. The maximum pension awarded is 50 per cent. of the wages up to six months from the accident; beyond that term, 60 per cent., with an equivalent allowed for death. Employers are answerable to the State for the whole amount of the contributions to be levied, but may deduct the workmen's share from their wages. The supervision of the whole scheme is committed to the Ministry of Crown Lands.

The latest version of the *French* draft, approved last October by an overwhelming majority in the Chamber, requires employers in scheduled trades—roughly speaking all more or less dangerous callings—to insure their workmen, up to 2400 francs annual wages, against every kind of accident arising in the course of their employment, except such as the men *intentionally* bring upon themselves. Should the victim be proved to be "inexcusably" in fault, though not causing the injury intentionally, his pension may be reduced. The regulation method for insuring laid down in the draft is by means of a State Insurance Department, through the medium of employers' corporations formed by the Government

in each case for one department or more, or, in strongly developed industrial districts, for part of a department. The entire burden of the insurance is to fall upon the employers. At their own option, however, the employers may act as their own insurers, or else they may unite in syndicates or mutual insurance societies. In such case, as in the other, they will still be accountable to the State Insurance Department for the moneys falling due in respect of accidents (each pension becoming due being at once capitalized), and for other obligations imposed upon them by the law, and be required to pay their contributions into its chest, and, moreover, to pay a special tax to cover the annual management expenses. In addition, to guard against insolvencies, each employer is to be made to pay a trifling addition to his licence duty. It is the Government Department which, through the medium of a *Conseil supérieur des accidents du travail*, is to fix the danger tariff, inspect establishments, and prescribe preventive measures, and to which, moreover, victims of disablement are bidden to look for their pensions. The maximum pension in respect of total disablement is fixed at two-thirds of the victim's ordinary wages, beginning from the fourth day after the accident. An equivalent in burial expenses and pensions to "dependants" is allowed in case of death. However, a pensioner may claim to have a quarter of his pension commuted and paid in capital, and also, at most, half of the capitalized value of the entire pension to be invested in the purchase of an annuity to run for the life, not of himself, but of his wife ; a woman being disabled may make the same claim in favour of her husband. Very precise regulations are laid down with regard to notice to be given to the local maire of every accident occurring within forty-eight hours. In the case of death, or of any dispute, an inquiry is to be instituted by the *juge de paix* of the canton. [Professor Jacquey, of Lille, states that it will be physically impossible for the *juges de paix* to discharge their duty at all adequately.] Appeals from the judgment of the *juge de paix* lie to the law court of the arrondissement.

The *Belgian* draft scheme is the most complicated of all thus far prepared. It creates a two-fold liability for employers. In establishments (*entreprises*) of all kinds employers are to be made liable to pay compensation, but only in the more dangerous, scheduled as such (to the number of which the King may make additions by Order in Council), are they to be compelled to insure. In either case only, so to speak, half the burden of full compensation is to be thrown upon the employer, inasmuch as under insurance the workman will have to pay half the premium (to be collected by the employer, who is made answerable), and in the other case the measure of compensation is fixed,

according to the same scale, at half-rate only. The liability placed upon the workmen is justified on the ground that ultimately compensation is paid out of wages. The draft makes no difference between "technical employees" and workmen, but draws the common remuneration limit at 2500 francs per annum, classing apprentices (for whom the insuring employer is to pay in *full*) as adult workmen of the lowest class, and recognizing as ground for non-payment only *intentional* causing of the accident. In respect of the callings in which insurance is made obligatory, employers are allowed to act as their own insurers through an insurance company of their own choice, or else by uniting in "mutual" syndicates. However, the conditions imposed (viz. for at least five thousand or else fifteen thousand men employed in Belgium, and security to be deposited to an amount approved by the Crown) are considered so onerous as practically to make the second alternative laid down obligatory, which requires every employer to join a "corporation" (*Office de Prévoyance*) formed for a district or for a trade, as the King may direct, which will become collectively liable, and self-governing under the supervision of the Crown. Within such corporation no employer or workman elected will have the right to refuse service on the governing committee, unless he have served six years already, which will exempt him for the same term. The governing committee of each corporation is to consist of an equal number of employers and employed, to be elected as a royal warrant not yet issued will direct, with the addition of a secretary and, at the committee's discretion, of a chairman elected from outside. This committee is to draw up rules and regulations, to appoint "commissioners" to act as officers, to determine the danger class of each establishment, collect, invest, and disburse moneys, consider claims to compensation, raise insurance rates as punishment for carelessness if two-thirds of its members agree, pursue claims against persons otherwise liable—all of this subject to the control of a supervising council of employers and workmen to be elected within the same corporation, and to the surveillance of an official *Commission Centrale de Prévoyance* to be appointed for the kingdom by the Ministry of Labour and Industry. The supervising council of the corporation is to have the free run of employers' offices, with full power to examine accounts and correspondence, so as to be able effectively to check and control the whole of the work. It is to hand in to the *Commission Centrale* every year a Report upon what it has done. The Central Commission, upon the data supplied to it, is to fix the premium to be levied per franc wages, which is to serve as unit, modified in each case by the particular co-efficient of danger, subject to the approval of the Minister.

Employers objecting to any classification made have an appeal to the Minister of Labour and Industry. Employers insuring otherwise than through the corporation are also placed under the jurisdiction of that body; they are to be required to transact their business through it and to pay a tax towards the general management expenses. Prompt notice is to be given of every accident occurring, for receiving which the Government Office will place officers at fixed points throughout the kingdom. Liability to pay full compensation begins on the twenty-ninth day after the accident, but half-pay is due from the fifteenth to the twenty-eighth day, and if disablement extend beyond that period, the equivalent of three days' full wages is to be paid in addition. The maximum pension is fixed at 70 per cent. of the wages. But this the *Office de Prévoyance* may by a vote of three-fifths of its members increase to the full rate of wages. Upon the pensioner's attaining his fifty-fifth year he is, however, to lose one-fourth of his pension. In the callings for which insurance is not made obligatory and in which, accordingly, the men pay nothing, employers are to be liable to pay only half the pensions fixed under this scale. In case of disputes an appeal lies to the *prud'hommes*, and beyond them to the Civil tribunal of first instance of the district.

The draft scheme prepared for the *Netherlands* places the entire burden of insurance, so far as it applies, on the employers, leaving both State and workmen exempt. The whole work of administration is, however, laid upon the State, which is to create an Insurance Bank, acting for the whole of the kingdom, having the local post-offices for agents, and being officered and supervised by the Crown. By its side there is to be a Court of Supervision and Appeal, likewise appointed by the Crown. In some cases an appeal is to lie beyond that tribunal to the Crown itself. The schedule comprises, comparatively speaking, all dangerous industrial callings. Compensation is made due from the forty-third day forward. Within the schedule every employee not drawing more than 4 florins wages is to be insured. The owner of every industrial establishment is to send in an account of his establishment. The Government Office will then decide whether or not that particular establishment comes within the schedule. Wages-books must be kept open for the inspection of Government officers. The danger tariff will be fixed by the Government Office, and premiums are to be made payable according to the figures of a graduated scale assigned to each establishment, taken in conjunction with wages. Insurance is to exempt employers from personal liability except in respect of gross carelessness or intentional misconduct, on the finding of a Criminal Court. Workmen are excepted only if they bring the accident *intentionally*.

upon themselves, or else sustain it in a state of *drunkenness*. Compensation is provided in capital, but paid in weekly pensions, which up to 156 florins (£12 10s.) per annum are to be unassignable and unattachable. The maximum allowance is 70 per cent. of the wages, 10 per cent. of the wages being due in case of death for burial money, and 60 per cent. allowable in all to "dependants." The Insurance Bank inspects establishments through "controllers," who, if prevention be not sufficiently studied, may place the matter in the hands of the factory inspectors for prosecution. The inquiry into accidents is conducted by officers of the Insurance Bank.

The *Swiss* draft measure, which has passed the Federal Council (Council of Ministers) and the National Council (Popular Chamber), but which has still to obtain the sanction of the Council of Estates (Upper Chamber), and, possibly, through the *referendum*, of the entire population voting by parishes, is at once the most drastic and the most State-socialist of all measures of the kind thus far proposed. It applies to every wage-earner in the country, including domestic servants, and allows the administering authorities to extend the benefit of insurance to small employers, and apply State funds, to be specially voted by way of subvention, even to such purely optional service. The only grounds on which compensation may be withheld when an injury by accident has been proved, are *serious and wilful misconduct* on the part of the person injured, assuming that person to have been of *sound mind*, and the happening of the accident while the person injured by it was committing a *criminal act*. The Insurance Department is to be directed by a Government Board acting for the entire Federation, and the draft commits the State to the payment of either one-fourth or one-fifth (whichever version is adopted) of the total expenditure, which limit may be exceeded by special vote. For administrative purposes the Federal Department is to act through cantonal departments, the country being further "divided down" into "insurance communities," in one of which each employer must find a place, and which are to be laid out as convenience may direct, but so as to have a minimum population each of two thousand souls. Employers may also unite in societies according to trades, and elect representative councils. Those councils will have to be heard by the Government Board on such subjects as organization, preventive measures, danger classification, and the like, but will have only an advisory voice, no actually decisive vote. It is the Government Department (which is answerable to the Federal Council) which is to direct, make regulations, prepare the danger tariff, levy contributions, and disburse moneys. In this work it is to be assisted by a Central Insurance Council, consisting of not less than ten

nor more than sixteen members to be nominated by the Government, but of whom six at least are to be selected, three from the class of employers and three from that of workmen. The contributions are to be levied by the State Department from the employers, but these will be entitled to deduct one-fourth from their workmen's wages. Up to the close of the sixth week after the accident, disabled workmen are to be taken charge of by their Sick Funds, which are, like the Accident Department, still to be created, and which are to be compulsory and provide a place for every wage-earner. To such funds the State is likewise to be made to contribute. Under Accident Insurance the maximum pension is fixed at two-thirds of the disabled person's ordinary wages, but the pension is never to exceed 5 francs a day. However, in exceptional cases the Department is to retain the power of awarding the full wages previously earned. Should further medical treatment be required, that is to be given in addition. Commutation into capital payment is permitted only in special cases, at the pensioner's request, except when pensions are due to foreigners or residents abroad, or else when pensions do not exceed 100 francs per annum. In such cases the Department is to have power to commute at its own pleasure. Very precise regulations are laid down with regard to notices of accidents and inquiries to be carried out by the local officers of the Insurance Department. In case of disputes, appeals are to lie to a special tribunal appointed for the whole Federation, consisting of seven judges, and five deputy judges.

The latest *Italian* draft measure tries to solve the problem by insurance in Insurance Companies, which have to be approved by the Government, and to which, in respect of tariff and the like, the *Cassa Nazionale di assicurazione contro gli infortuni* (which is a public but not a Government institution, endowed by great Savings Banks to render a public service as a self-supporting but not dividend-earning establishment) is to serve as a standard. It is, however, specially provided that in the event of any such insurance body, including the *Cassa Nazionale*, being unable to meet its engagements in respect of compensation, the individual employer (though he have paid his premium) shall be held personally liable. Employers employing more than five hundred persons may act as their own insurers; also associations of employers collectively employing, at least, four thousand persons. In both cases security will have to be given, such as may satisfy the State. The supervision of industry with regard to preventive appliances and measures is assigned to the Ministry of Agriculture, Industry, and Commerce, which is also to act as supreme administrative (and in some cases judicial) authority in matters

regarding this law. The schedule of callings to which the draft is made applicable comprises, roughly speaking, all more or less dangerous industrial occupations. Within such limits every person employed receiving not more than 7 lire a day, and paid at intervals not exceeding a month, is to be insured by his employer as a matter of course. Compensation is due in respect of every accident occurring "from a violent cause," disabling its victim for more than five days, unless it can be proved in criminal proceedings that the victim brought his injury *intentionally* upon himself. Compensations are to be calculated in capital, but paid in annuities purchased with the capital sum paid down in such Insurance Society approved by the Government as the annuitant may select. Only in exceptional cases may the compensation be handed over to the claimant in capital, by special direction of the *prætor*. The maximum compensation is fixed at 3000 lire (£120), or five years' wages in case of death. Disputes affecting sums up to 200 lire are to be referred for judgment to the *probiviri* (standing Court of Conciliation), beyond that figure to the ordinary magistrate of the district. For such proceedings costs may be levied, fixed at the rate of 50 centesimi up to the first 50 lire in dispute, 1 lire up to the first 100 lire, and 2 lire for every 100 lire beyond. Precise regulations are laid down with regard to notices of accidents, and also to the notices to be regularly handed in to the prefect of the province, showing the number of hands employed and the wages paid by every employer.

The draft measure quite recently proposed for *Luxemburg* is the most complete and apparently the most carefully prepared of all workmen's accident measures yet brought forward. In the main it is modelled on the German law, and on the emendations already proposed and now under consideration for rendering that measure more effective. However, for a small country like Luxemburg, one insurance corporation, embracing all callings, is judged sufficient. That corporation is to be presided over by a Government officer, but its other members are to be elected by the employers having votes according to the number of hands which they employ. The scheduled callings at present embrace only work in mines, quarries, metallurgic establishments of every description, and on railways. However, the Government takes power to extend the operation of the law to other callings by simple warrant. In the meanwhile, in respect of a number of specified callings, which include building, factories, and mills, but not agriculture, insurance is to be optional. So far as the law takes effect it is to apply to all employees earning within 3000 francs a year wages. And in every establishment in which workmen are insurable, employers may also

insure themselves by voluntary act. (Insurance above 1500 francs a year is, however, calculated at a third of its full value.) Compensation is made payable, at the employer's sole expense, in respect of every injury arising from employment which was not directly and *intentionally* caused by the victim, or else sustained in the act of committing a crime. However, detention in prison or in a house of correction suspends the claim to pension for the time being. Only in respect of the expenses of administration does the State undertake to render financial assistance to the Insurance Corporation, agreeing to pay one-half of that amount. Otherwise the funds required are to be raised wholly by contributions from employers. The Governing Council of the Insurance Corporation are permitted to elect working-men representatives to sit with them, having, in general, only an advisory voice. These men must be consulted on any question of award and of preventive measures arising. In respect of awards appeals lie to a Court of Arbitration, half of whose members must be working men. The working-men representatives are to be freely elected by their whole class, canton by canton, and drawn for service by lot. In respect of the standard of pensions the Luxemburg scheme follows the German law, but it requires the compensation to be capitalized to the body of employees, though paid in the shape of pensions to the claimants. In respect of the calculation of wages the Luxemburg scheme differs from the German in one particular, purposely introduced, so as to give a steady workman the benefit of the larger number of days that he has actually worked.

HENRY W. WOLFF.

THE POLICY OF CHRISTIAN SOCIALISM.¹ 1. *An inherited policy*, in the deepest and fullest sense, as involved in the teaching of Christ and His Apostles ; and also, from the nineteenth-century point of view, as formulated and propagated, in the teeth of much misunderstanding and opposition, by Maurice and his school, of which Mr. Llewelyn Davies and Mr. Ludlow are survivors. Nowadays Christian Socialism is almost the fashion. But half a century ago, when these brave and deep-thoughted men were raised up to give a truer interpretation of Christianity, and to lay sounder foundations for Socialism, the work of pioneering had to be carried on through rough country and to encounter rough weather. Our first duty, then, is to recognize and praise these famous men, our founders and spiritual forefathers.

2. *An imperial policy*. It claims for the Divine Master empire over human life in all its departments. It claims that Christian principles must

¹ Notes of an address by the Bishop of Chester, at Macclesfield, on October 7, 1897.

strive to bring within their "sphere of influence" business and pleasure, home and foreign relations, the action of the State and the action of the individual, upper, middle and lower classes, personal expenditure, and public expenditure,—leavening all alike with "the spirit of self-sacrifice," impressing upon the holders of every species of property and power the idea of trusteeship.

3. *A policy of conciliation*, steadily resisting that tendency to severance which springs from human passion, shortsightedness and selfishness. It will be no party to a divorce between religious and common life. It holds that "Socialism" is only valuable as a means to "Individualism," and "Individualism" as a means to "Socialism." It would find room in co-operation for healthy and fruitful competition, and it would temper and restrain competition by co-operative surroundings and mouldings. Its Socialism is not a monotonous, procrustean, dead-level Socialism. Harmony, not uniformity, is its ruling idea. In the Pauline figure of the body and its members it still finds its best illustration of what society should and may be. Its conception of freedom is that each man should have scope to become his best and fullest self in fellowship with, and for service to, other selves.

4. *A policy of patient and co-operative study*. It knows the complexity and manysidedness of the social problems that have to be solved, the difficulty of adjusting principles to practice, and the danger of half-views and short-cuts. Balak's policy of taking up a position whence one can see only "the utmost part" of a class, an institution, or a question is the policy of cursing. For benediction, for sympathy and justice, a complete view is essential. Look at the utmost part only of Trade Unions, and one may be tempted to curse them. Look at the utmost part only of Employers' Associations, and the same result may follow. Full knowledge is likely to be fairer and more favourable knowledge. One of the best influences of the Christian Social Union is that it stimulates and enjoins thorough study, and thus prevents its members from rushing hastily in where wiser and more experienced men fear to tread. It inculcates a well-disciplined and well-informed enthusiasm.

5. *A policy which neither Conservative nor Radical can afford to set at naught*. If the former disregards it, he may be punished by the rush of revolutionary measures, which, if he had met them in a more sympathetic spirit and with clearer light, might have been beneficent reforms. The Radical should remember that the legislation of a one-sided, ill-informed, narrow Socialism is sure, sooner or later, to spell Reaction. All history testifies to this. Christian Socialism

endeavours to combine sound principles, fervent zeal, and thorough knowledge.

F. J. CESTR.

THE "MAISON ESPÉRANCE."—Among the numerous experiments which have been, and are still being, made—all of them having for their object the improvement of social conditions, and all of them interesting as expressions of the deep earnestness with which men have begun to regard their duty to one another—there is one which seems to deserve some attention. It is a small dressmaking establishment which has been opened, under the name of the "Maison Espérance," at 155, Great Portland Street, W., by two ladies who have worked for some time in connection with the West London Social Guild, and who may therefore be supposed to know the district and its needs and possibilities very thoroughly. The girls of West London are, for the most part, engaged in "season" trades : which means that they are out of employment for about one-third of every year ; and that, during the other eight months, though they may be terribly overworked (for effective inspection is out of the question, and, during the season, they may work from seventy to ninety hours in the week), the great majority of them do not earn enough to allow of any margin for holidays, sickness, or old age ; and that the rooms in which they live are often close and over-crowded. Hence, any one who visits the large, bright, well-ventilated work-room, and the small but equally cheerful fitting-room at the Maison Espérance, and who realizes that it is hoped that the hands will not be dismissed at the end of the season, but that they will be employed at the same wages all the year round, must feel the contrast very strongly.

The story of the way in which this undertaking was first begun may be of interest. When Mr. Sherwell's *Life in West London* appeared, one of the present honorary secretaries (Miss Neal) wrote a letter to the *Standard*, corroborating his statements, and mentioning the fact that she had worked in the district dealt with in his book as a proof that she spoke from personal knowledge, but entirely without any idea of appealing for money. A few days after the letter was published, she received an anonymous communication from York, enclosing £10 to be used for any purpose she herself desired. Other circumstances proving favourable, she determined that, if she could get £100 together, now was the time to carry out a long-meditated plan ; so she wrote through the *Standard*, acknowledging the receipt of the £10, and explaining the way in which she intended to use the money, with the result that, in a few days, the necessary funds were subscribed,

and, shortly afterwards, the *Maison Espérance* became an accomplished fact.

The establishment is managed under certain strict rules, the two most important being : first, that no working day shall exceed eight hours in length ; and, secondly, that the wages shall be 30s. a week for the manageress, and 4d. an hour or 15s. a week for the hands until such time as the profits admit of a higher rate, when the wages of the manageress and the skilled workers shall be first raised, and afterwards the unskilled hands also will receive a proportionate rise. The business is a strictly ready-money one, no goods are delivered except on receipt of cash payments, and the accounts are audited by a firm of chartered accountants. The honorary secretaries are at 155, Great Portland Street, every afternoon from three to four o'clock, and are glad to receive any one who is interested enough to desire further information, and the books and wage-sheets are always open to inspection. No one who is not actually working in the business receives any salary ; and the profits, after all expenses have been met, are to be devoted to extending the business in the interests of the workers : but it must be clearly understood that this is not merely a work of philanthropy, but a commercially sound undertaking, established on what are practically, though not technically, co-operative principles. The manageress has had several years' experience in good business houses, and under her are two first-class hands, besides seven others who are all good needlewomen ; and the result is that the work turned out is of good quality, neat and well finished.

The *Maison Espérance* is a very practical answer to a question which has perplexed the minds of many who feel deeply the need for social reform, and who, having little leisure for work among the poor, yet wish to do their share in helping to improve the conditions under which the wage earners at present live. The undertaking is still in its infancy, as it was only started last May, and its success or failure depends, to a great extent, on the patronage of women of the richer classes. But if the strong desire for equal justice for all, said to be such a strongly marked characteristic of the English race, is a reality ; and if energy and a very genuine capacity for organization can avail anything, surely this attempt to show that it is possible to charge moderate prices for good work, give fair wages, and yet make a profit, will meet with the success it so well deserves.

E. J. McGAW.

THE STRIKE IN THE NORWICH BOOT AND SHOE INDUSTRY.—This has been one of the longest strikes on record, and like all strikes it has

involved great loss on all sides. The masters have had their business seriously injured, the men have expended thousands of pounds, endured much privation, and have lost the battle, and the whole shoe trade in this city has suffered a serious blow, from which it cannot soon or easily recover. My sympathies were with the men, for labour is badly paid in Norwich, and the shoe trade was in a sufficiently prosperous condition to admit of an increase in the wages of the men, whilst the establishment of the principle of the minimum wage would have been just what is needed, for, owing to the lack of industries in Norwich which employ large bodies of men, the tendency known as Lassalle's "Iron Law" has full scope.

In regard to the failure of the strike, I should attribute it, first, to the fact that the masters were admirably led and stood by each other, while the men were the reverse ; next, to the fact that the men at the outset demanded too much, and therefore alienated from themselves a good deal of public sympathy, which otherwise might have been enlisted on their behalf. But I attribute their defeat chiefly to certain defects inherent in the East Anglian character, which, for some time to come, are likely to prevent organized labour from winning any great contest in this part of England.

East Anglians show an almost entire absence of that tenacity and grit which marks the North-countrymen. They are fickle and pleasure-loving, and are exposed to constant temptations by the enormous number of public-houses that exist in Norwich, whilst an unusually large number of doles and charities have tended to destroy their independence and to pauperize them ; of course there are notable individual exceptions, but I speak of them as a body.

A few illustrations will serve to bring out my meaning. Last year all the principal leaders of the Independent Labour Party came to Norwich to lay their views before the artisans. In many parts of England the presence of well-known speakers would have ensured a large audience of working men, of opponents as well as of sympathizers ; but in Norwich there was a miserably small attendance, though we could hear through the partition wall the applause of a multitude of people in the adjoining circus. Similarly, the University Extension movement has been decidedly unsuccessful in Norwich. In other towns it has taken deep root, and led to the founding of local colleges, which are doing most successful work amongst all classes, and not least amongst the artisans. Here it has languished feebly, being supported mainly by a small body of young ladies drawn from the middle-class and higher schools, and last year it flickered and went out altogether. When the Church Congress met in Norwich the working men's meetings

were miserably attended, whereas in other large towns one hears of enthusiastic meetings of five or six thousand men. Again, about three years ago a weekly labour paper was started. It was socialistic in its character, well edited, supported by moneyed people quite liberally enough to have kept it going if only the people for whom it was intended had supported it ; but after a year and a half's struggle it had to be given up.

It appears that the real position of affairs was clearly understood by both sides. The masters, knowing the men, would not meet them in any way whatever, stuck to the position they took up at first, and ultimately won. And the men, too, seem to have been aware of this inherent weakness, for it now comes out that the local Secretary of the Union has all along been opposed to the strike, which was urged on by the central executive from Leicester.

For the guidance of those unfamiliar with the present condition of the boot and shoe industry, I may point out that the shoemaker who makes a complete boot, cutting it out and sewing it together, is almost extinct. In this, as in other trades, there is great sub-division of labour ; and the introduction of machinery has led to the rise of the factory system, though in this trade there is still a considerable amount of home industry.

It is necessary, therefore, in order to understand the course of events, to define a few terms. A clicker is a man who cuts out the uppers of boots from the skins, which requires a deft hand and a good eye in order to use the materials to the best advantage. The pressmen manage the machines which cut out the soles, and are engaged in a somewhat dangerous occupation. Rough-stuff cutters are the men who cut out the rougher leather for soles by hand. The riveters fasten the soles to the uppers by small nails or rivets ; while the finishers fasten the sole, and then finish the boot off by cutting and trimming, inking, and burnishing the soles.

At the beginning of last year it became evident to the outside public that something serious was impending in the shoe trade, and in February the strike began to take shape. The men's demands were set forth at a "densely crowded" meeting of the men held on Monday, February 1st. "The proceedings were very orderly," so the local paper reports, and the chairman, a Mr. W. R. Smith, in his opening address, put the case very clearly.

The chief points may be thus summarized : (1) Some few years ago the clickers and pressmen had a separate organization, but this organization being purely local, and the men desiring to belong to the larger Union embracing the whole of the kingdom, they had constituted

themselves a branch of the Boot and Shoe Operators' Union. (2) In every centre in which there was a clickers' and pressmen's branch of the National Union, something had been done on their behalf by fixing a minimum wage, regulating the hours, and determining the question of day labour. (3) The shoe trade in Norwich being fairly prosperous, they thought that now was the time to make the following demands : (a) That there should be a minimum wage of 28s. for clickers, and 26s. for pressmen and fitters-up, these sums being paid for this work in other centres of the industry. (b) That there should be one boy for every three men, or part of three men. (c) That fifty-four hours should constitute the working week.

The chairman said that these proposals had been submitted to the masters, who had ignored the questions relating to boys and hours, and had expressed the opinion that the minimum wage would be disastrous to men and masters alike. He further remarked that "before instructing the men to hand in their notices, they had thought it best to do their utmost to secure a settlement by arbitration. They had thought that at the end of the nineteenth century the time had come for the settlement of trade disputes by judicial methods, and not in the old bull-dog fashion. They had hoped that the matter would be quietly discussed by the Board of Arbitration, and that if no settlement could be arrived at an umpire would be called in. The men did not fear arbitration." That in brief was the men's case. It should be noted, however, that Mr. J. Mason, the local representative of the Union, made a remark in his speech which showed that at that early stage he had recognized the weakness of the men's organization. He said that "during the last year or two the clickers and pressmen had become well organized—*well organized, that was to say, for Norwich.*" This escaped notice at the time, but in the light of Mr. Mason's subsequent statement that he had all along opposed the strike, its true significance can now be seen.

The general impression in the city was that the increase demanded was too large, for it came out at the meeting that many clickers earned only 18s., so that the increase in such cases would have been more than 50 per cent. Here, then, the masters gained their first advantage, and resolutely refused to grant the demands. Mr. Southall, chairman of the Norwich Boot and Shoe Manufacturers' Association, communicated his views to the local press. In regard to the minimum wage, he said, "There is such a wide difference between a good, a medium, and a bad clicker, that it would be quite impossible for the manufacturers to agree upon a minimum wage. If the clickers think they are badly paid, we will of course listen to them, but we shall not consent to pay a minimum wage of 28s. a week to every man, no matter whether he

is worth it or not." Moreover, the conditions in the trade in Norwich were different from other places. "There are certain houses in which a lot of cheap stuff is made up, and they cannot pay top prices for labour of the cheapest class." (I may say incidentally that a good many of the boots made in Norwich have cardboard as the principal material from which the soles are made, which is covered with a thin layer of leather.) Mr. Southall said further, "Take Stafford, where they make the best class of ladies' boots. If a clicker who had been apprenticed there turned out a medium hand he would not be kept on, but he might very well find work in Norwich, where there are houses which make children's strap shoes at 1s. a pair." With respect to the masters' position, he said, "The masters have simply refused to entertain the men's demands; they would sooner lose the whole season's trade. At the same time they intimated that if the men wanted to raise the question of wages, their representations would be fairly considered . . . but at our last conference we fully decided that we would consider no proposition that was based on the principle of the minimum wage." He considered that some 12,000 or 14,000 people would be affected if the strike took place. It would drive trade out of Norwich for a time, and that it would be three years at least before they could recover their position. Referring to the existing Arbitration Board, he said the Board was formed to deal with piece-work, whereas clickers, pressmen, and fitters-up worked for a fixed weekly wage.

Several attempts were made at conciliation, locally by friends interested in labour questions, and from London by the Board of Trade, which forwarded a memorandum suggesting a friendly conference. These overtures of the Board of Trade were rejected by the masters, but they offered the clickers and pressmen an advance of 5 per cent., which was rejected with something like scorn. The strike therefore began. Some few small firms accepted the men's terms. This apparent gain proved ultimately a real loss to the men, since these smaller firms supplied the larger ones when the men were on strike, and so enabled them to fulfil their orders. The notices were handed in by the men on Friday and Saturday, February 19th and 20th, and it was arranged that Mr. Hornidge, one of the Union officials from Leicester, should remain "permanently on the scene."

At this juncture the Mayor of Norwich made an effort to bring the contending parties together. In a letter from Mr. Southall, dated Feb. 25th, the masters rejected the Mayor's offer. The men accepted it in a letter from Mr. Mason, dated Feb. 26th. However, it was pressed by the Mayor, but difficulties arose about Mr. Hornidge taking part in it. Ultimately, however, a conference was held under

the presidency of the Mayor, but it failed to bring about any settlement, and the strike went on. It soon became manifest that the workmen's camp was a divided one. Non-unionists came out with the Unionists, but the pay allowed them was so small that they soon began to give in. One man named Harmer, who had been a leading instigator of the strike, gave in almost at once, and wrote to the local daily paper on March 22nd stating his intention. This led to riotous scenes and several assaults. With these the magistrates dealt sharply, and as a result intimidation ceased. Meanwhile a heated discussion went on in the columns of the *Daily Press* (our one local daily).

These defections were the turning-point of the struggle, for, though the strike still dragged on, the men had lost from this period. The question may be asked, Why, if the battle were really lost thus early, did the struggle continue so much longer as to make this strike memorable for the length of time during which it lasted? The reason is a simple one, but none the less noteworthy. The campaign was directed too far from the scene of the struggle. The funds came through the executive in Leicester, and so long as the funds came the direction of the campaign rested with those who supplied them. I do not think they really understood the situation, or they would have come to terms with the masters when they might have secured substantial advantages.

A few other incidents in the course of the struggle may be worth mentioning. For instance, (a) the riveters and other members of No. 1 Branch of the Union came out at first in sympathy with the clickers and pressmen, without demanding anything for themselves, but in April they demanded a minimum wage for themselves. Probably this did not make any real difference in the situation. (b) An attempt at reprisals was made by the masters about the end of April. They induced masters in other towns to discharge any Norwich men who had sought employment there, which naturally aroused very bitter feelings amongst the men. (c) A conference was arranged between the firm of Howlett and White, one of the largest local firms, and their men. Mr. George White, a member of the firm, and leader of the Liberal party in Norwich, proposed a scale of minimum wages arranged for different grades of skill—a proposal named at the time "a graded minimum." When this proposal was referred to the members of the Union, it was at once rejected as impracticable.

About the end of July, Sir Charles Gilman, the Mayor, made another attempt to bring about a settlement, suggesting that Sir Courtney Boyle should be asked to mediate. The masters rejected the suggestion, stating that they had all the hands they required, since about

four-fifths of the men had quietly returned to work. So the matter rested till the middle of October, when Mr. White and Mr. Inskip met in London informally, and drafted terms of settlement, which were afterwards submitted to the masters and to the men. The latter held a stormy meeting, but there was no help for it, and they had to surrender and accept the 5 per cent. offered by the masters before the strike commenced.

The general result has been to bring out very clearly a fact not always grasped, except by those whose work lies amongst artisans, namely, that there are as many gradations and as great differences among working men as among other classes of the community, and that they are united only when some attack is made which affects them all. As to the effect locally, it seems to me that the cause of trades unionism in Norwich has received a severe blow, that the class of goods sent out will still largely be of an inferior kind, and that wages generally in Norwich will remain lower than those paid in other parts of the country.

G. N. HERBERT.

CO-OPERATION IN AUSTRIA.—Co-operation is making fair progress in Austria. The last figures officially published are those relating to the year 1896, which show an increase of co-operative societies of every kind, as compared with 1895, by 549, bringing up the total to 4327. Of that number 3123 are credit societies, including 1276 of the Raiffeisen system. The Schulze Delitzsch banks show an increase in the year of 358, the Raiffeisen of 253. The Schulze Delitzsch banks are by far the stronger, and do the larger business. In 1894 the two federations compared as follows : The Schulze Delitzsch banks numbered 721,530 members, holding 57,858,000 florins in share, and 379,963,000 florins in loan capital, and lending out 358,284,000 florins. The Raiffeisen banks numbered 56,138 members, held 677,000 florins in share capital, 12,991,000 florins in loan capital, and lent out 7,597,000 florins. In 1894 the 2342 registered credit societies numbered in all 777,668 members, holding 38,107,000 florins in share capital, 20,428,000 florins in reserve funds, and 392,876,000 florins in loan capital, and lending out in the year 365,881,000 florins, that is, more by 34,467,000 florins than in 1893. Their collective share capital had grown by 5,000,000 florins. The number of supply associations stood at the close of 1896 at 496, marking an increase of 46 ; the co-operative associations of other descriptions stood at 708, marking an increase of 147.

The productive societies, although few in number, appear to be progressing very satisfactorily. On the occasion of the twenty-fifth

annual Co-operative Congress of Austria, recently held at Vienna, they organized a small co-operative exhibition, which is described as a great success. The principal co-operative societies exhibiting were the harmonium-makers, the cabinet-makers, the potters (who exhibited some remarkably fine artistic work), the piano-makers, the lithographic printers, the saddlers, and the Co-operative Women's Society, whose hosiery and embroideries were much admired. Satisfactorily as co-operation appears to be progressing as regards growth from year to year, there are as yet scarcely one-half per cent. of the total population enrolled in co-operative societies. To the disgust of *bonâ fide* co-operators, the Austrian Government is talking of following the example of the Germans, which in France M. Méline has likewise announced his intention of imitating, by endowing a Central Co-operative Bank, which is to advance money to co-operative societies, with 10,000,000 florins of public money. The legislature has a new co-operative law under discussion, which is much criticized.

HENRY W. WOLFF.

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

THE *Final Report of the Royal Commission on Agricultural Depression in Great Britain* (C. 8540, fol. 370 pp., 3*s.* 1*d.*, postage 8*½d.*) does not contain, as it ought to do, a list of the numerous publications which have streamed forth at intervals during the last few years from the office of the Commission. The want is supplied at the end of the present article.

The final report begins with a study of the distribution and effects of agricultural depression. How far the loss of profitableness has been greater in arable cultivation than in grazing is shown by the fact that, while in 1875 there were in Great Britain 18,104,000 acres of arable land and 13,312,000 of pasture, in 1895 there were 15,967,000 of arable and 16,611,000 of pasture. The decreased cultivation of wheat accounts for no less than 1,900,000 acres of the diminution in the arable land.

Rents, the Commissioners say, are less, or no greater, than they were fifty years ago, in spite of all the investment of capital on the land which has taken place in the interval. Over a very considerable part of the country, they add, "true rent," as estimated by the standard laid down by Mill, has entirely vanished. They quote the passage from "Mr. J. S. Mill," as if he were a recent author. Evidently the "quasi-rent" theory, which all modern economists accept in substance, has not yet permeated the Queen's "trusty and well-beloved" subjects who are selected for Royal Commissioners. The maximum value was reached in England and Wales in 1872-3, and in Scotland in 1882-3. Since then the capital value of lands has fallen about 50 per cent., but this estimate is arrived at by taking Sir R. Giffen's valuation of thirty years' purchase of the gross annual assessments in 1875, and Sir Alfred Milner's of eighteen years' purchase in 1894, a proceeding which, in the face of the enormous fall in the general rate of interest, it would be difficult to justify, in spite of the raising of the assessments nearer, or more above, the true value, which has taken place. Fifty per cent. reduction, on the basis adopted, is the very handsome sum of

£834,000,000. "Lands," it should be noted, include, in addition to agricultural land proper, ornamental grounds and gardens exceeding one acre, tithe rent-charge, and other things. What a difference there is between the total thus made up, and agricultural land more strictly defined, is shown by the fact that while in 1893-4 "lands" were assessed at £40,000,000, agricultural land, for the purposes of the Agricultural Rates Act, 1896, was only valued at £24,563,000.

The farmer, according to certain accounts furnished, has suffered even more than the landlord, and has, for twenty years past, only got "60 per cent. of the sum which was in past days considered an ordinary and average profit." But here the Commissioners, including that high authority on statistics, Sir R. Giffen, appear to have fallen into a fallacy, since "the sum" they speak of is not "a sum," but a proportion, namely, seven-sixteenths of the rent and tithes. If the rent and tithes have fallen one-third, the farmer requires an amount equal to nearly two-thirds of his present rent in order to get the same absolute "sum" as he did when he got seven-sixteenths of the old rent; and if, as the Commissioners say, he is only getting an amount equal to 26·6 per cent. of the rent, he is only getting about 40 per cent. of what he used to get, which is incredible. The Commissioners regard the accounts in question as those of persons of exceptional ability, and therefore likely to give a too favourable picture of the profits of farmers in general. They forget that evidence of agricultural prosperity is not likely to be voluntarily provided for a commission on agricultural depression. It may be true that every farmer who keeps accurate accounts is a man of exceptional ability, but the accounts may very well have come from the unsuccessful rather than the successful members of that class.

Of the effects of the depression on the labourers, the Commissioners take a slightly more cheerful view. It has caused the number of agricultural labourers to fall off, and that is nearly all that can be established; so the Commissioners content themselves with a dark hint that this reduction in numbers will cause the race to deteriorate, and possibly reduce wages in non-agricultural pursuits.

Having finished this gloomy picture of the facts, the Commissioners proceed to discuss the "causes of depression" in three chapters: (i.) "The Fall in Prices;" (ii.) "Foreign Competition;" and (iii.) Cost of Production." The fall of prices is, of course, the immediate cause, and it is traced to increase of foreign competition; and then the question how far the fall in price has been accompanied by a decrease in cost of production is discussed. The Commissioners "fear that there is no near prospect of any permanent abatement in the pressure of foreign

competition," by which they mean that they are afraid we shall be able to procure food by a small amount of exertion for a long time yet. As to cost of production, only three items of expense, namely, manual labour, feeding stuffs, and manures, which only cover from 50 to 60 per cent. of the whole expenditure, are dealt with. These are said not to have decreased, and the rest is left untouched. It is a little difficult to believe that none of what the old economists used to call "improvements in production" have been effected in the last twenty years.

Part III. deals with "Miscellaneous Subjects bearing on the Agricultural Position." There are fourteen of these. It is satisfactory to find that the Commissioners, after listening to Mr. C. W. Smith, do not believe that gambling in futures "really produces the alleged effect on prices, or seriously contributes to agricultural depression."

Part IV. contains the summary of recommendations—twenty-six little ones, as to which fourteen out of the sixteen Commissioners agree, with a few reservations. At this point we arrive at the signatures : Cobham, Rendel, H. Chaplin, W. H. Long, R. N. F. Kingscote, R. Giffen, C. I. Elton, Owen Thomas, John Clay, C. N. Dalton, R. L. Everett, John Gilmour, W. C. Little, C. Whitehead.

Then follows a bimetallic report signed by all these fourteen Commissioners except Lord Cobham, Lord Rendel, Sir R. Giffen, and Mr. Clay. In this we soon come upon a proposition which, appearing over the signatures of ten gentlemen of sufficient importance to be placed on a Royal Commission, is enough to make the political economist despair of the most elementary principles ever being made obvious to the ordinary intelligence :—

"One suggestion in particular . . . was frequently urged upon us, viz. the reimposition of the old 1s. duty upon grain, which was abolished in 1869. In support of this proposal, it was pointed out with considerable force that while the revenues so obtained would at the present time be very large, a rise or fall of 1s. in the price of wheat makes no change in the price of bread, and the position of the consumer would not be in any way affected ; a statement which, in our opinion, can scarcely be disputed."

In a tolerably well-educated country there would not be a teacher of economics who would not blush to the roots of his hair if his youngest and stupidest pupil said anything to this effect after his second or third lesson. If one shilling does not affect the consumer in any way, it is clear that one pound does not, since the twenty shillings may be put on gradually, one at a time. The ten Commissioners do not attempt to say where the £1,500,000, which would be required by a rise in the price of wheat by one shilling throughout the United Kingdom, would come from, if not from the consumers. Presumably they imagine the

bakers would provide it, in spite of Adam Smith's dictum that it is not from the benevolence of the baker that we receive our bread.

However, from some study of the state of agriculture in foreign countries, the ten Commissioners arrive at the conclusion that Protection has not prevented depression of agriculture, and that the only places where agriculture is not depressed are India and Argentina. Disregarding, or not bringing their history down far enough to regard, the cessation of the fall of the rupee in relation to gold, they conclude that Protection is futile, but that a non-appreciating or depreciating standard of value is useful. This, of course, leads up to a recommendation of bimetallism, though the ten "do not suggest that the gold standard should be abandoned in this country." It would be sufficient to try experiments on the vile body of India and "abroad."

Sir Robert Giffen and Mr. Everett add separate memoranda on the monetary question, and Mr. Lambert and Mr. Channing present reports of their own.¹ The most interesting thing here is the weighty condemnation passed upon the principal contention of the Gold Standard Defence Association by Sir Robert Giffen :—

"It is a great misfortune, I consider, that some monometallists, as appeared in the course of the evidence before this Commission, have refused, and still refuse, to recognize the general fall of prices in the last quarter of a century as being, in economic language, an appreciation of gold, and as being explained by a contraction of gold (*as compared with a previous period of expansion*), which commenced about the year 1873. The facts are beyond all dispute, and if language is only used with the ordinary meaning, as employed by economists like Adam Smith and Jevons and many others who have discussed historic changes of prices, no one would say for a moment that there has not been an appreciation of gold in the last twenty-five years, and that this does not necessarily involve, dealing with the matter historically, a contraction of gold. All this can be said, also, without implying any objection to the proposition so largely supported in the main report, that foreign competition is the cause of the present agricultural depression, and that the progress of invention, cheapening of means of communication, and the like influences, are to be regarded as permanent causes of lower and lower prices. There is nothing inconsistent between this latter view and the view that the contraction of gold during the last quarter of a century is connected with the course of prices. The crux of the question is, that whereas for twenty years before 1873, owing to the state of the gold supply and demand, the progress of invention, cheapening of means of communication, and the like influences, were attended by no general fall of prices, but prices rather advanced, now, owing to the difference in the conditions of gold supply and demand, the progress of invention, cheapening of means of communication, and the like influences, have been accompanied by a fall of prices. In other words, the phenomenon to be explained is why the causes referred to produced no fall of prices before 1873, but were even found

¹ Mr. Channing's report has been republished as a book; see p. 133 of this *Review*.

consistent with a rise, and why they produced a fall after 1873. . . . I have especial cause to regret that some of my monometallic friends, in their eagerness to overwhelm bimetallists, have treated every statement as bad which bimetallists used. This evident weakness in the monometallic arguments has been the main reason, I believe, why the bimetallic agitation has continued so long."

After thus clearing away rotten defences, which only afford shelter for the enemy, Sir Robert deals manfully with his opponents. The decline of general prices has been growing less, and does not exactly correspond with the fall of agricultural products. Successful "bimetallism, or any monetary remedy which would produce a general rise of prices, would not be a remedy for agricultural depression ;" and there is, as a matter of fact, considerable probability of a rise of general prices under the gold standard.

Since the Agricultural Commission presented its report, the bimetallic movement has gone through another phase, the history of which is to be found in *Correspondence respecting the Proposals on Currency made by the Special Envoys from the United States* (C. 8667, fol., 17 pp., 2*d.*, postage 1*d.*).

It is best to begin the perusal of this paper with "Inclosure 1 in No. 3," which is a memorandum of a meeting held at the Foreign Office on July 12, 1897, when the Ambassador and three special envoys of the United States met the Marquis of Salisbury, Lord George Hamilton, Mr. Balfour, and Sir Michael Hicks-Beach. Senator Wolcott stated that France and the United States desired to bring about an international agreement which would enable them to open their mints to the free and unlimited coinage of silver at the ratio of 15*½* to 1. Would England do the same ? The Chancellor of Exchequer said "No." Mr. Balfour inquired would anything less do ? The Americans were unable to answer this in the absence of the French Ambassador ; but an informal discussion "took place as to the concessions that England might make towards an international solution of the question if it should refuse to open English mints. Mr. Wolcott, for the special envoys, presented a list of contributions which, among others" (as if these were not enough), "England might make towards bimetallism if an international agreement could be effected." England might : 1. Reopen the Indian mints, and repeal "the order making the sovereign legal tender in India." (No such order existed, but no matter.) 2. Keep in silver one-fifth of the bullion in the issue department of the Bank of England. 3. (a) Raise the legal tender limit of silver to "say, £10." (b) Issue 20*s.* notes based on silver, which should be legal tender. (Query to any amount, or only to the same limit as silver ?) (c) Withdraw the half-sovereign, and substitute

paper based on silver. 4. Agree to coin a certain amount of silver annually, or to purchase a certain weight of silver annually, and three other trifles unnecessary to mention.

An adjournment to July 15 then took place to allow of the attendance of the French Ambassador, who opened the adjourned meeting with a speech which displays lightness of touch rather than more solid virtues. Speaking of the ratio of $15\frac{1}{2}$ to 1, he said, "This ratio has not been arbitrarily conceived. The men of great scientific worth, who recommended it to the adoption of the Legislative Power, had made long and careful preliminary investigations, and they reached the conclusion that the figure of $15\frac{1}{2}$ represented the average, and in some degree normal and natural, ratio of the value of the two precious metals, such as resulted from universal use from an early period—that is to say, almost since the epoch of the discovery of America and the great economic renaissance of the sixteenth century." Supposing that this account of the matter corresponded even remotely with the facts, which it does not, it would be difficult to see why three or four centuries in the history of the world should be selected as affording sufficient evidence of the "normal and natural value" of an article which had a different value before and afterwards. The system, the Ambassador continued, worked very well, but "for about twenty years" it has been "disturbed by different causes," one of which "is doubtless the superabundant production of silver." France had to cease coining silver, the "agricultural population" consequently finds it has not as much money as it would like to have (a complaint not uncommon among populations of all kinds), and it is at present impossible to reopen the mints to silver, because France "would be flooded by the abundance of this metal coming from all other countries of the world," and the legal ratio would be destroyed. However, his Government was persuaded that "this very disadvantageous perturbation" was only temporary, and the reopening of the mints of all the commercial countries to the free coinage of silver, at the ratio of $15\frac{1}{2}$ to 1, would re-establish the "normal ratio." But if the British Government were unwilling to reopen the British mint to silver, they might undertake to buy annually "a certain quantity of silver metal, which might afterwards be disposed of as seemed best—either it might be preserved in ingots, or it might be used for regular consumption, or it might be sent to India. This quantity might be fixed approximately, at least for a number of years, at a sum of £10,000,000 in nominal value." If the report was a newspaper one we should doubtless find at this point "(Sensation)." However, the end of the matter was that both the French and the Americans formally adopted the proposals of the

previous meeting, with the addition of the suggestion that £10,000,000 should be the amount of silver (at the $15\frac{1}{2}$ ratio) which this country was to buy.

After twelve days the Foreign Office communicated these proposals, without comment, to the Treasury. After six days more the Treasury sent a copy of the Foreign Office letter to the India Office, and asked for the views of the Secretary of State or the Government of India. After three days more the Foreign Office sent the Treasury a report of the proceedings at the two conferences, and asked for the views of the Lords Commissioners. On the same day the Secretary for India Office wrote to the Viceroy, asking for the opinion of his Government on the proposals. It has been stated in some quarters that this letter recommends the proposals, but this is scarcely the case. It is obviously intended to be quite colourless, and to elicit the unbiassed opinion of the Indian Government.

The Indian Government, replying on September 16, begin by describing the actual position :—

"The currency system of India is in a transition state ; the Government of India in 1893 decided to establish a gold standard, and the first step towards that object was the closing of the mints to silver by Act VIII. of 1893. The silver rupee is still the sole legal tender coin, though the Government has by Executive orders undertaken to receive gold and sovereigns under certain restrictions . . . the rate of exchange being . . . 15 rupees = £1. The measures to be taken when the transition has passed have not been laid down, but it is probable that the Indian mints will be opened to gold, and gold coins will be made legal tender to an unlimited amount ; silver rupees would also continue to be legal tender to an unlimited amount, and the ratio between the rupee and the gold coins would at the same time be finally settled. The system towards which India is moving is thus a gold standard of the same kind as that which now exists in France and the United States."

As against this, India, says her Government, is asked to open her mints to silver, and to undertake not to make gold legal tender, the inducement to this course being the very thing which the plan of 1893 was intended to secure—a stable exchange between the rupee and the sovereign. They object first, that the proposed ratio of $15\frac{1}{2}$ of silver to 1 of gold is too high. If they had not felt the matter too serious for epigram, they would probably have said that if you think a stable exchange a good thing, it is rather odd to begin by altering it about 60 per cent. Secondly, if the exchange went up to 1s. 11d., and then the experiment failed, it would crash down again to 9d., and India would be left in the lurch, as France and the United States would protect their stocks of gold, and "no particular change would take place in the monetary system of France or the United States, the

only effect of the agreement being a coinage of silver which would terminate with the termination of the agreement." Thirdly, if the experiment were successful, France and the United States would have a rise of prices and India a fall : what is sauce for the European and American goose must be sauce for the Eastern gander, so that if France and America would be benefited, India would be damaged. Fourthly, even if there were two birds in the bush, the one in the hand would be better. Fifthly, as a matter of fact, the experiment probably would fail. France and the United States alone are certainly insufficient for the purpose. "If assurances of really substantial co-operation should be secured from other countries," the Government of India would be glad to consider them. "We believe, however," they add, "that whatever inducements are held out to us by other nations, our best policy in monetary matters is to link our system with that of Great Britain." The despatch is long, and nearly all the best arguments alike of gold standardists and bimetallists are brought to bear with telling effect upon the proposals. The contrast between the airy conceits of the French Ambassador and the sledge-hammer blows of the Indian Council is brilliant.

The correspondence closes with a letter from Lord Salisbury to the French and American envoys, expressing acceptance of the Indian Government's decision, and leaving it to the American and French Governments to say "whether they desire to proceed further with the negotiations at the present moment."

The *Report of the Local Government Board for 1896-7* (C. 8583, 8vo, 820 pp., 4s. 11d., postage 11½d.), states that the average "relief" given by the Agricultural Rates Act amounted to 1s. 1d. on the assessable value of the agricultural land. It does not give any information as to the way in which this arithmetical average was made up. The total amount of the grant was £1,331,034—rather less than was expected.

The *Report of the Chief Labour Correspondent of the Board of Trade on the Strikes and Lockouts of 1896* (C. 8643, 8vo, 209 pp., 1s. 2d., postage 3d.), is a light-weight compared with its predecessor of 1891, which contained 546 folio pages, and was only in time for the *Economic Review* of July, 1893 (p. 430). The octavo form is much more convenient, and is quite compatible with orderly presentation of matter. The year was the quietest there has been for some time. Only 3,748,525 working days were recorded as lost, as against 5,542,652 in 1895, 9,322,096 in 1894, and 31,205,062 in 1893. The results were more favourable to the wage-earners than in the two previous years ; 39·5 per cent. of those affected were successful, as

against 24·1 per cent. in 1894, and 22·1 per cent. in 1893. Labour disputes," the Chief Correspondent says, "are most extensive in transition states of trade," and "when (as in 1896) the general tendency is clearly ascertained, there is less conflict."

The first legalized attempts of the State to carry on the business of conciliator-in-chief are recorded in the *First Report by the Board of Trade of Proceedings under the Conciliation (Trade Disputes) Act, 1896* (C. 8533, 8vo, 61 pp., 3d., postage 1½d.), which is not particularly interesting. It would probably be both interesting and amusing if it contained an unvarnished account of the confidential communications which precede the exchange of formal protocols; but this is impossible. The period covered by the report is from August, 1896, to June, 1897. Thirty-five disputes were dealt with during that time: six on the application of both parties, nine on that of the employers, sixteen on that of the employed, and four on the Board's own initiative. As to seven of these, the Board, after investigation, declined to put the machinery of the Act in motion. Nineteen disputes were settled by arbitration or conciliation under the Act, four were settled before they reached that stage, one was still pending at the end of the period, and four had, so far at least, defied conciliatory treatment. One of these four was the Bethesda quarrymen's dispute with Lord Penhryn.

The publication of the Labour Department's *Annual Report on Changes in Wages and Hours of Labour for 1896* (C. 8444, 8vo, 355 pp., 1s. 6d., postage 5d.), is not, like that of its predecessors, long enough after the year to which it relates to allow of the inclusion of a kind of provisional report on the next year—a fact not by any means to be regretted by the reviewer. The decreases of the years 1894 and 1895 were followed by an average rise of 10½d. a week to the 607,654 persons whose earnings were affected by changes. There was again a fall, though not nearly so large a one as before, in mining, but a rise in all the other great groups. The changes in hours were unimportant. In the case of 9·2 per cent. of the workers whose wages were changed, the change was preceded by a strike; in the case of 22·4 per cent. the change was brought about by the action of sliding scales; in the case of 7·87 per cent. it was effected by conciliation or arbitration, leaving 60·6 per cent. to the ordinary method.

The *Report of the Postmaster-General for 1896-7* (C. 8586, 8vo, 110 pp., 5½d., postage 2d.), which continues to abstain from the old bad practice of encouraging jokers to send letters with absurd addresses for the purpose of testing the ingenuity of the Post Office, mentions that the total length of telephone trunk wire, 52,800 miles, exceeds by four thousand miles the total length of all the telegraph wires taken

over by the Post Office from the companies in 1870. To make some of the roads available for telephone wires, and to secure communication from interruption by the great storms which attack these lines broad-side, an underground line of telegraph wires is being laid all the 113 miles, or thereabouts, from London to Birmingham, *via* Tring, at a cost of £165,000. For the first time the Postmaster-General admits, what is obvious to any one who is not blinded by the accounts furnished, namely, a loss on the savings bank business. He puts it at £3,791, which, considering that he pays more than $2\frac{1}{2}$ per cent. in interest and cost of management, and that the Government securities in which he invests his hundred millions do not yield 2 per cent. to the investor, is palpably absurd. The fact is that the Post Office, having made a large profit owing to the rise of Government securities in the past, is now engaged in paying away this capital in the form of interest to depositors to the amount of about £700,000 or £800,000 a year. The surplus of assets over liabilities is given as £11,486,389, and no less than £9,633,055 of this consists of premium on Government stock. Before 1905, when the $2\frac{1}{4}$ and $2\frac{1}{2}$ per cents. become redeemable, £528,677 must disappear; in 1912, when the Local Loans stock becomes redeemable, £1,280,807 more must go; and by 1923, when Consols are released, £7,823,571 in addition will have softly vanished away. No provision is being made against this prospective and absolutely certain diminution of assets.

Chiefly owing to the Post Office having increased its holding of Consols from £61,077,897 to £69,866,231, the paper entitled *Government Departments Securities* (House of Commons Paper, 1897, No. 162, fol., 7 pp., 1d.) shows a rise in the amount of Consols held by persons or bodies under the control of the central government from £135,763,870 to £147,248,403 in the course of the year, March 31, 1896, to March 31, 1897. The holdings of the other stocks have increased but little, with the exception of Irish Land Stock, which has gone up from £1,554,732 to £2,119,142.

The paper called *National Debt* (C. 8520, fol., 35 pp., 3½d., postage 1d.) shows a reduction in the debt during the years 1896-7 of £1,448,146 in the funded portion, £1,842,800 in the unfunded, and £4,409,518 in the capital value of terminable annuities. Let no one imagine that because the largest reduction is in the annuities, the Exchequer is not suffering much from the high price of Consols. The bigger annuities are expended in the purchase of Consols really for cancellation, though nominally to "replace" Consols nominally cancelled some years ago. So we find that it appears to have cost £2,317,623 to purchase £2,079,505 Consols on account of the Supreme Court

Annuity. Yet the Treasury will not allow the Public Works Loans Board to lend money at less than $2\frac{1}{4}$ per cent. on a short, and $3\frac{1}{4}$ on a long term!

The *Report of the Commissioners of H. M. Inland Revenue*, 1896-7 (C. 8548, fol., 172 pp., 1s. 6d., postage $4\frac{1}{2}d.$), compared with that for the previous year, shows astonishingly little change in the amount of deceased persons' estates and their distribution between the various classes created by the Finance Act, 1894. Except for a slight difference in the dividing line between the two uppermost classes, the diagram for 1895-6, given in the January, 1897, number of this *Review* (p. 108), might be used over again without offending the naked eye. A note explains that the number of estates is larger than the number of persons deceased because if, for example, payment of duty on one half of a millionaire's estate is made in one year, and payment on the other half in the next year, that estate will appear twice in the returns. This explains the difficulty noticed last year, that eight millionaire estates together appeared to average so little over the million. It is annoying to find such a defect in a table which appeared to give interesting statistics of the distribution of wealth. However, the numbers of estates will at any rate be *maxima*, and the information given as to the distribution of the total property between the various classes is not affected. We may not know whether £32,300,000 were left by sixty-six persons, but we do know that they were not left by more than sixty-six persons, and that they were all left by persons who died worth more than a quarter of a million. The number of persons obtaining abatement of Income Tax on account of having incomes between £160 and £400 was 438,577, an increase of 17,666 over the previous year. The number of abatements on incomes between £400 and £500 rushed up from the absurd total of 12,688 to 19,950, but doubtless the true number is not nearly reached yet.

Two reports noticed in the last number of this *Review* have been republished with the minutes of evidence and other appurtenances, forming blue books entitled, *Report from the Select Committee on Merchandise Marks, with the Proceedings and Minutes of Evidence* (House of Commons Paper, 1897, No. 346, fol., 342 pp., 3s., postage 8d.), and *Report from the Select Committee on Government Contracts (Fair Wages Resolution), with the Proceedings and Minutes of Evidence* (Commons Paper, 1897, No. 334, fol., 294 pp., 2s. 5d., postage $7\frac{1}{2}d.$).

The full list of the publications of the Royal Commission appointed to inquire into the Agricultural Depression prevailing in Great Britain is as follows :—

Reports of Assistant Commissioners :—

Mr. A. Wilson-Fox on *Garstang and Glendale* (C. 7334, fol., 118 pp., 1s., postage 3d.), 1894.

Dr. W. Fream on *Andover and Maidstone* (C. 7365, fol., 44 pp., 4½d., postage 1½d.), 1894.

Mr. Jabez Turner on *Frome and Stratford-on-Avon* (C. 7372, 36 pp., 3½d., postage 1½d.), 1894.

Mr. R. H. Pringle on the *Isle of Axholme and Ongar, Chelmsford, Maldon, and Braintree* (C. 7374, fol., 134 pp., 1s. 7d., postage 4½d.), 1894.

Mr. R. H. Rew on the *Poultry-rearing and Fattening Industry of the Heathfield District of Sussex* (C. 7623, fol., 32 pp., 3d., postage 1d.), 1895.

Mr. R. H. Rew on the *Salisbury Plain District* (C. 7624, fol., 64 pp., 6d., postage 2d.).

Mr. A. Wilson-Fox on *Lincolnshire, except the Isle of Axholme* (C. 7671, fol., 188 pp., 1s. 6d., postage 4½d.), 1895.

Mr. Aubrey Spencer on the *Vale of Aylesbury and Hertfordshire* (C. 7691, fol., 50 pp., 5½d., postage 1½d.), 1895.

Mr. R. H. Rew on *North Devon* (C. 7728, fol., 72 pp., 7d., postage 2d.), 1895.

Mr. R. H. Pringle on *South Durham and Selected Districts of the North and East Ridings of Yorkshire* (C. 7735, fol., 64 pp., 6d., postage 2d.), 1895.

Mr. A. Wilson-Fox on *Suffolk* (C. 7755, fol., 134 pp., 1s. 1d., postage 3d.), 1895.

Mr. R. H. Rew on *Dorsetshire* (C. 7764, fol., 84 pp., 8½d., postage 2½d.), 1895.

Mr. R. H. Pringle on *Bedford, Huntingdon, and Northamptonshire* (C. 7842, fol., 142 pp., 1s. 3d., postage 3d.), 1895.

Mr. A. Wilson-Fox on *Cambridgeshire* (C. 7871, fol., 86 pp., 8½d.), 1895.

Mr. R. H. Rew on *Norfolk* (C. 7915, fol., 136 pp., 1s. 2d., postage 3d.), 1895.

Mr. A. Wilson-Fox on *Cumberland* (C. 7915—i., fol., 60 pp., 6d., postage 2d.), 1895.

Mr. James Hope on *Perth, Fife, Forfar, and Aberdeenshire* (C. 7842, fol., 26 pp., 3d., postage 1d.), 1894.

Mr. John Speir on *Ayr, Wigton, Kirkcudbright, and Dumfries* (C. 7625, fol., 44 pp., 4½d., postage 1½d.), 1895.

Mr. James Hope on *Roxburgh, Berwick, Selkirk, Peebles, Linlithgow, Edinburgh, Haddington, Banff, Nairn, and Elgin* (C. 7742, fol., 56 pp., 5½d., postage 1½d.), 1895.

Minutes of Evidence: vol. i. (C. 7400—i., fol. 458 pp., 3s. 9d., postage 6d.), 1894; vol. ii. (C. 7400—ii., fol., 636 pp., 6s., postage 7½d.), 1894; vol. iii. (C. 7400—iii., fol., 630 pp., 5s. 7d., postage 7½d.), 1895; vol. iv. (C. 7400—iv., fol., 618 pp., 5s., postage 7½d.), 1896.

Alphabetical Digest of the Minutes of Evidence (C. 8146, fol., 282 pp., 2s. 4d., postage 4½d.), 1896.

Particulars of Expenditures and Outgoings on certain Estates in Great Britain, and Farm Accounts (C. 8125, fol., 212 pp., 1s. 9d., postage 4½d.), 1896.

Statements showing the Decrease or Increase in the Rateable Value of Lands in 1894 as compared with 1870, and the Decrease or Increase in the Gross Annual Value of Lands under Schedule A in 1894 as compared with 1879 (C. 8300, fol., 12 pp., 1s. 2d., postage 1d.), 1897.

First Report (C. 7400, fol. vi., pp., 1d.), 1894.

Second Report. See *Economic Review*, vol. vi., p. 261.

Final Report. See above, p. 109.

Appendix to Final Report (C. 8541, fol., 146 pp., 1s. 3d., postage 3½d.), 1897.

EDWIN CANNAN.

REVIEWS.

GLASGOW: ITS MUNICIPAL ORGANIZATION AND ADMINISTRATION. By SIR JAMES BELL, BART., and JAMES PATON, F.L.S. [426 pp. 4to. MacLehose. Glasgow, 1896.]

This is a truly monumental record of municipal enterprise and activity—a record which no city library nor city councillor's library should be without. The form of the volume is in itself worthy of its matter : it is suggestive of *μεγαλοπρέπεια*, of civic pride and self-consciousness ; and it is written by citizens for citizens. Moreover, it is written not only for our admiration, but for our example and instruction. It throws light not only upon “the evolution by which, in all the departments of corporate action, Glasgow has attained the high position which she now holds among the great municipalities of the world,” but upon the possibilities of municipal enterprise all over the kingdom. That, however, it may not appear too perfect and exceptional—too far off for our imitation—the writers frankly record the fact that “in its relationship to public libraries the attitude of Glasgow is at once deplorable and anomalous.” The constituency has rejected on no less than three occasions the adoption of the Public Libraries Acts, and although the Act may now (since 1894) be adopted by a resolution of the magistrates and council, and without the intervention of a direct appeal to the ratepayers, the council is likely to wait for a change in public opinion. This is a curious rift in the lute, and certainly not without its significance. I do not know whether the advocates of government by referendum would find in it a favourable or unfavourable augury ; but it tends to confirm the impression which a reader may derive from this history, that the municipal achievement of Glasgow has owed more to government by experts than to government by the people ; that much of its best work, in fact, has been carried out in the midst of popular indifference. “It must be confessed,” say the writers, “that, in ordinary circumstances, the average elector values his rights but lightly, and takes only a feeble interest in public elections.” It is not because “the people are alive” that Glasgow is a model municipality. The

motive power seems to come from the public spirit of the few, and their organization. In each ward, we are told, there is a voluntary, although public, organization of what are called ward committees. These committees not only select candidates for the council, but, as it were, organize the wants and demands of their localities. They are, "in general, associated with no political organization. Their bond of union is strictly municipal, and therefore the spirit of party politics is scarcely ever imported into municipal contests sufficiently to give the elections any degree of political significance. Social questions are, indeed, the touchstone in election of town councillors in Glasgow." In another place, the authors attribute the greatest strength of the council to its non-political character, as regards both its election and its working.

If this history of municipal enterprise does not confirm the ordinary idea of "government by the people," still less does it confirm the dream of the philosopher-king or ruler. It seems to have been carried out by "the plain man," certainly not by the academic theorist; but this is just what the Socialist affirms and the Individualist denies, namely, that it is possible to induce the average man to find a sphere for his business capacity in the field of public work for the common good. One cannot help feeling that this public spirit has a history at Glasgow, and represents a continuous tradition about which one would have gladly heard more. One would like to have heard more about the average *personnel* of the council, about the kind of men who serve the municipality.

I have only space to call attention to some of the more specially interesting features of the municipal organization and administration described in this volume. I may mention, for instance, the work of the Improvement Trust, which has made the city of Glasgow a household name among municipal reformers (perhaps the magnitude of the evils had something to do with the magnitude of the reforms); the thoroughness of sanitary administration in the broadest sense (including the extension and purification of the water supply, municipal baths and wash-houses, enforcement of the Shop Hours Acts, open spaces, etc.); the struggle between the Tramways Company and the municipality, resulting in the victory of municipal management; municipal concerts, and the work of the Museums and Galleries Committee.

The volume is intended to be descriptive, and is therefore only indirectly economic. Balance-sheets of particular receipts and expenditures are given, but not in a form upon which any conclusions can be safely based; and no attempt is made to examine the economics of municipal collectivism, or even to estimate in hard cash the cost

of municipal activity in Glasgow. But one may fairly gather that "the indignant ratepayer" has no case or occasion. Independently of the increasing revenue from the Common Good—the local name for municipal real estate—the profits from the gasworks and waterworks, the tramways and the markets, have made it possible for the city to be improved at no cost to the ratepayer. It is upon this class of undertaking—"paying concerns," as they are called—as distinct, for instance, from sanitary administration, that a direct calculation of profit and loss in hard cash can be made; and this calculation, though it by no means exhausts the profitable side of municipal collectivism, is anything but unfavourable to the ratepayer.

It is greatly to be desired that more monographs of this kind should be written. The development of municipal democracy is a neglected chapter in modern histories, and yet it supplies matter of infinite interest and suggestion not only to the social reformer, but to the economist and political philosopher. A little attention to the actual working of democracy in municipal self-government might throw no little light on the problems of democracy in general, while its industrial and economic applications are by no means exhausted.

SIDNEY BALL.

COURS D'ÉCONOMIE POLITIQUE professé à l'Université de Lausanne. Par VILFREDO PARETO. Tome II. [426 pp. 8vo. 10 fr. Ronge. Lausanne, 1897.]

This is a well-written book, in a popular style. Ostensibly a scientific treatise, its science is enlivened by a strong sidewind of controversy. Writing in a tongue which is famed for fineness of wit and delicacy of rhetoric, the author manages to hit his adversaries frequently and with force. In spite of its liveliness and the width of its resources, it is not a valuable work. It seems an anachronism. It is an attempt to combine orthodoxy with historical criticism, to reconcile classical political economy with its modern rival.

M. Pareto speaks with the voice of Ricardo, refined and modified to meet the criticisms of half a century. "Pure political economy is the study of 'agreeability' (*ophélimité*). Ophélimité is the abstract quality of things which satisfy a desire or a need, legitimate or not." The corresponding economic creature is presented to us as a "sort of molecule which yields only to the action of the forces of agreeability." The abstract study of agreeability leads through production, capitalism, and exchange to distribution, and ends where all such studies end. But this abstract science is to be "correlated" with the science of society. M. Pareto's aim in his applied political

economy is to make a "synthesis" of these two, by examining the conditions which assure the "maximum of material wealth to the greatest number."

This is, however, no new construction, it is merely a juxtaposition. It recalls J. S. Mill's work, with more than Mill's severance of social forces from purely "economic" powers.

M. Pareto's boast is that he is not "metaphysical." He has a dark horror of metaphysic. Did he belong to the historic school, we should understand this to mean an enthusiasm for reality. But he is a disciple of Ricardo and Mill, of Buckle and Spencer. His are their phrases, his their phantom foes, his their looseness of language, their hideous conglomeration of crossapplied scientific terms. Man is sometimes the resultant of forces, sometimes an imperfectly heterogeneous organism, now a mechanical mixture and now a chemical compound; never a human being. The *lex naturæ* and final causes are metaphysical entities; natural law and evolutionary adaptation are realities. Into one limbo (the "metaphysical") are hurried Bossuet and Rousseau, Hutcheson and Plato. Teleology and a belief in miracles, unity and unification are confounded (see pp. 102 et passim.). Evolution and differentiation, liberty and competition are good in themselves. To become heterogeneous is to live, to be at unity with one's self is to die. This enslavement to words, this ignorance of categories makes M. Pareto, with the best will in the world, a sophist. He has cried out against metaphysic, he believes abstraction (or, rather, false abstraction) to be metaphysic, and in the net is his own foot taken.

Now this lack of metaphysical training would not matter much if political economy could be made a pure science. It has not prevented M. Pareto from giving a clear exposition of the mechanism of exchange, and of speculation; it has enabled him to brilliantly set forth the true material advantage of free trade. But political economy is not a pure science, and we believe that the movement of fact, as well as of theory, has long pointed to the inability of pure economy to solve a single economic question.

It were a waste of time to repeat here the criticisms, and to point to the practical comments of the last forty years. M. Pareto admires England's economic conditions, yet he seems to entirely under-estimate the tendency of her economic temper and legislation. The movement towards State-interference is called "slightly retrograde," a "feeble oscillation;" the assumption is that it lessens "differentiation," the latest synonym for liberty, and therefore is evil, perhaps prophetic of new dark ages.

The inherited worship of liberty is deepened by antagonism to the

"Socialism of the chair," but more peculiarly by bitter hatred of the action of the Central Government in Italy and France. I have never read a book which revealed more painfully, more cynically, the corruption and dishonour of present governments. The idol of protection it seems is set up, not by honest votaries, but by corrupt ministers. M. Pareto is filled with distrust of magistrates and powers that be. For him "pin money" to ladies of the *ancien régime*, and "douceurs" to modern politicians are precisely parallel. He masses together in one "homogeneous" condemnation State Socialism, tariffs, politicians' thefts and jobbery. One hopes that the corruption may be a little exaggerated; at any rate the exposure, though practically useful, is a little over-emphatic for a purely scientific work. It is hard that all these sins should be laid at the door of that "metaphysical entity," the State. We need rather a careful explanation of where and when it is probable that the State, as the organ of society, will do good by interference, and where harm. To say that "grave imperfections arise from the fact that governments are not enough differentiated" is not sufficient; just as, from the point of view of evolution, it is either false or meaningless to call the movement from oligarchy to tyranny in Hellas retrograde.

This combination of the ideas of the old school with distrust of modern governments leads to a study of isolated production. The real problem for M. Pareto is production. Only by increased production in proportion to population can there be a material improvement in the very lowest orders, or less inequality of riches. The arguments upon which this conclusion rests seem to us false, but the main error is inherent in the original abstraction of production as a "thing in itself." Leaving on one side the wider question of the subordination of purely economic problems to the large needs and necessities of man, is it possible to be scientific if we isolate production and distribution; and is it not a commonplace that consumption has something to say to both? The neglect of these questions must invalidate the whole theory of the "factors of production." What are "wealth," "ophélimité," "utility," "maximum of ophélimité" but abstractions, and dangerous abstractions? Was it not an error of this kind that led Midas into hopeless straits? And what else are the things which the moth and the rust corrupt? It is time that political economy abandoned for ever the delusion that "exchangeable agreeability" is wealth in any higher degree than money. This fallacy invalidates the reasoning of any writer who starts with abstract agreeability, and hopes subsequently to introduce other alien factors.

Thus M. Pareto speaks as if wealth in the wrong man's pocket were so much addition to a country's wealth ; and again (following M. Beaulieu) he destroys by a *petitio principii* (involving the confusion of wealth = well-being and wealth = power over labour) Lassalle's true remark that "it is the relative and not the absolute position of the working classes which counts" (p. 319). This error reappears in M. Pareto's refutation of Socialist theories of capital, which rest upon the belief that a fairer distribution of the produce of labour would make the working man better off. That the working classes would gain very little per head, if the big gains of swindlers were diminished, is obvious ; but it remains true that here it is the minute fractions of improvement which make the difference. Half a loaf is better than no bread. There is similar confusion where it is shown that, under the Social *régime*, the power of capital will remain the same. No Socialist denies the power of capital ; he regrets its tyranny. A worse mistake is the remark that the interests of economic classes *must* be different : "Cela résulte de la nature même des choses." The statement (rooted and bound in M. Pareto's study of distribution) seems as unfortunate as the theory which supposed that exchange took place always at the expense of the other party. It is strange that it should be based upon what might consistently be called a "metaphysical" abstraction.

One feature of this work has not yet been noticed. It makes large use of mathematics as a precise method of proof. This is unfortunate, for we have heard historians characterize this very method as "metaphysical." Perhaps this is not the right term, but at least the method depends for its certainty upon its unreality. In spite of the warning that it is ignorance of mathematics which inspires distrust, I do not believe that the method can lead to valuable result. It can register and formulate facts that have been observed, but it is vain to work out problems which deal quantitatively with matters which are not quantitatively discerned. The tracing of curves is an ingenious method of illustration, and nothing more. Like much of illustrative method, it is frequently valueless and even deceptive. Here is one of M. Pareto's earliest examples : "A great many social phenomena bear a resemblance to the movement of a material point under the influence of several forces ; . . . but what is the resultant of two causes acting on a social phenomenon ? We are completely in the dark about it. We can but say that, in certain cases, this phenomenon will take a direction intermediate between the two forces A and B." This hardly valuable remark is *illustrated* by the well-known diagram of the parallelogram of forces. The picture upon

page 4 is an example of false logic induced by this method. No mathematician would maintain that if we are ignorant of the equation of a curve, we can "deduce with *great probability*" anything about its future direction.

The book is brightened by its humour. Equally delightful are the story of the waylaid Milanese, whose only protection was to sing a Socialist song ; the suggestion as to the unusual longevity of the veterans of America's great war ; and the remark that the English, in their anxiety for the abstract rights of property, have put in an appearance "un peu partout."

Is it possible that M. Pareto wishes us to understand as a joke his translation of *Domesday Book* ("livre du dernier jugement parce que rien ne lui a échappé")?

Besides its humour, there is much valuable practical criticism of common extravagances. Its warning as to the danger of analytical political economy and of socialistic partiality is excellent, and much in its criticism of the "ethical state" is full of warning. Excellently put are the theories of rent, of diminishing returns, of relation of cost of production to price.

It is where he should have gone beyond the old abstract questions that M. Pareto is least useful to a reader. With all its research, its evident conscientiousness, we cannot but regard this essay as retrograde.

SPENSER FARQUHARSON.

SOCIAL COMPTABILISM. By ERNEST SOLVAY. [98 pp. 8vo.
Brussels Institute, 1897.]

Social Comptabilism appears to be a project that, like Bimetallism, and like the proposal for a tabular standard, aims at remedying the defects, real or imaginary, of our present gold standard. The gold standard, the comptabilists urge, is liable itself to fluctuations owing to the increase or decrease in the world of the metal which is its basis. Would it not be possible therefore, they ask, "to replace the agency of money by another agency which would have its advantages without its inconveniences?" Already, they remark, a vast proportion of the transactions of the world are carried out without the use of metallic money, by a simple transfer of credits in the books of bankers; would it not be possible, they demand, if the State took the matter in hand, that all transactions should be similarly effected? Bank notes, it is observed, are already issued by the National Bank of France and the National Bank of Belgium on deposit of adequate securities. Such notes are, they think, a step on the road to Social Comptabilism.

Let the State, then, they say, "enlarge to the utmost degree possible the power of these banks to issue such notes ; let them be authorized to accept mortgages " as security for them ; and, by this method, it is urged, we are likely to arrive at a standard not liable to the defects of gold.

Probably, however, the English reader will think, by this time, that he has heard quite enough about Social Comptabilism. M. Solvay claims that it is "no new invention whatever ;" and certainly it is not. What is it but the old project which was such a favourite one with the currency theorists of the eighteenth century ; that of making property in land and property in commodities the basis of money, instead of the precious metals ; a system which, whenever it got a footing in the world, never failed to end in disaster ? When presented to the National Assembly, it captured the sanguine genius of Mirabeau, though not the cooler head of Talleyrand ; and we know what the final issue of its adoption in that famous historic instance was. It certainly was not the evolution of a standard more stable than gold.

No one, of course, can pay the smallest attention to monetary history without being struck by the enormous strides that are being made, yearly and daily, in the economizing of metallic money, and in the substitution for it of notes and cheques and bills of exchange, and various forms of set-off. The writer—or I should say one of the writers, for part of the treatise is by Professor Hector Denis—quotes, with approval, Mr. M'Leod's "striking comparison of modern circulation to the movement of a peg-top which spins round on a very fine metallic point." The comparison might have suggested to him that it was one thing to anticipate that the top might even yet grow vastly bigger than it is in relation to the point, and quite another to imagine that the time is coming when it will spin in air without any point at all. It is, however, a very rough and inaccurate generalization to affirm that hard cash is being more and more displaced in the world in favour of credit substitutes. The truth is more nearly this, that the spheres of each are being more and more clearly differentiated, and that each, in its own sphere, is ousting the other. In all the expenditure of trade and production, except the payment of wages, the use of credit substitutes—in other words, the system of organized barter—is superseding metallic money. In all the expenditure of ultimate consumption, the use of hard cash is not only holding its own, but is increasing. It is not the most but the least advanced of modern nations that still use shilling and half-crown notes in their retail currency. The increase of foreign travel and the growth of towns and cities, where men become always less and less

known to each other personally, make cash, for all the expenditure of consumption, daily more and not less necessary. Nor is it to be imagined that retail trade is a small matter as compared with wholesale trade, and that therefore hard cash is coming to occupy a small sphere in the world as compared with credit substitutes. Any commodity may, indeed, change hands innumerable times while in course of production, or of transit to its final market, without the use of currency in effecting its exchange ; but, at the same time, every commodity, before it is finally consumed, must pass the ordeal of retail purchase, must, in England at any rate, be bought by actual pounds sterling or by fractions of them.¹ It is this fact that, in the end, makes convertibility into gold put its rigid limit to credit inflations. The trouble of such systems as Comptabilism is that if, say, the land which is to be the basis of the currency rises in value, then the owners of that land have so much more purchasing power ; and then, again, their increased purchasing power tends to raise the price of something else, say, of ships. The owners of ships, again, in their turn, having this increased purchasing power, raise the price of land a second time, and so on, it might be, apparently without end, if it were not that there is one thing—gold—which nothing in heaven or earth can raise above £3 17s. 10*½*d. per ounce.

The second part of M. Solvay's treatise is taken up with an account of the cheque and clearing services in the Austrian Postal Savings Bank, which the author thinks mark a great stride in the direction of Social Comptabilism, together with a proposed law laid before the Chamber of Representatives in Belgium for the introduction of a similar system there by Professor Hector Denis. The author has to admit, with much regret, that the system he describes has, at present, a metallic basis, but is of opinion that that is not of its essence. The description of the system is not without interest. It appears that it enables payments to be made and to be received throughout the Austrian Empire in an efficient and economical manner. It is so long since any one in England who has the money to make a payment with has had any difficulty in making it in any part of the world, that the Austrian system will hardly be likely to strike us here as involving a new departure of any very great importance ; though there might be, perhaps, some useful hints to be derived from the study of it. Its interest for M. Solvay lies in the extent to which it renders possible the liquidation of debts by set-off, instead of by money. As the Austrian service liquidates about the same amount of debts by

¹ English and even Scotch notes are, since Sir Robert Peel's Acts, practically nothing else but coin certificates.

set-off in a year¹ as the London Clearing House does in ten days, it seems altogether a very minute monetary phenomenon to take as the base of so vast and far-reaching a theory.

WILLIAM W. CARLILE.

LA PROPRIETA FONDIARIA E LA QUESTIONE SOCIALE.

Studi de ACHILLE LORIA. [321 pp. 8vo. Drucker. Padova, 1897.]

The four papers contained in this volume were originally written at considerable intervals of time, and are now, as we are informed in an editorial note, collected and republished in response to repeated requests from those who are desirous to have them in a permanent form. They have, therefore, as Professor Loria observes, in a note to the reader, an interest which consists as much in the view they give of the development of the opinions and the mental history of the author as in the intrinsic value of the doctrines maintained.

The earliest in date, the inaugural lecture delivered on his appointment as professor in the university of Siena, was written in 1881; the latest is an essay on "Land Nationalization," that is published now for the first time. We have, therefore, an interval of some sixteen years between the publication of these two, the remaining two papers being produced—one as the inaugural lecture on his appointment as professor at Padua, in 1891, the other a paper on "Charles Darwin and Political Economy," originally published in 1884—in the *Rivista di Filosofia Scientifica*. We can recognize the effect of these differences of time in the papers before us. The later ones present us with the professor's views in a more developed form; and if, even so, we find it by no means easy to discover what those views exactly are, we are, at least, in good company in our difficulty, as he complains that his doctrines are misunderstood by Miraglia, Gide, Stegmann, and Hugo, who agree in representing him as a supporter of the principles of Henry George with regard to land nationalization. It is in the last paper that we find enunciated at length this—according to Professor Loria—fundamental and also culminating doctrine of economic science. A right adjustment of the land question will, he assures us, afford a solution of all the difficulties of modern life—will remove poverty, obviate all the inequalities of condition, which are at present so galling, and apparently restore to us a golden age of industry, peace, and contentment. How this happy consummation is to be obtained he tells us in words to the following effect:—

¹ The amount for 1895 was 2,970,170,049 florins—under £250,000,000. Our Clearing House returns average about £150,000,000 a week.

"The Agrarian Socialists, in conformity with their programme, desire that the State should appropriate the land, or the income derived from it. They wish, therefore, to make of the modern State a *quid simile* of those Oriental States which possess the supreme lordship of the soil, and exact the surplus produce from the cultivators. But we, on the other hand, make a very different demand. According to us, the needed reform should consist, not in the perpetuation of rent and profits for the benefit of the State, but in the elimination of rent and profits for the benefit of the labouring population. It should not preserve a monopoly of the land, merely transferring it from the individual to the community, but should annihilate all territorial monopoly so that it could never revive. That is to say, according to our opinion, each producer ought to be placed in a position that should make it possible for him to occupy a quantity of land sufficient to absorb his entire labour ; in other words, it is desirable that to each individual who is prepared to be a producer there should be assured the right to establish himself on his own account, on an adequate portion of the national territory. Thus the possibility secured to the workman in this way, of starting an undertaking on his own account, will of itself exempt him from the necessity of offering his work for wages, and will enable him either to establish an independent enterprise or to associate himself, as comrade and equal, with another producer who has already done so."

We should like to be told much more as to how this is to be carried out, and whether the same principle would apply to manufactures, where the extent of soil occupied is so inconsiderable, and the number of work-people and amount of capital employed so great. The professor, however, contents himself with predicting that the result would be the abolition of rent and capital, and the security for the labourer of the enjoyment of the entire produce of his toil.

There might, perhaps, be more chance of such a system being conceivable in a backward country, with a purely agricultural population ; but no evidence seems to be producible that it has ever been really tried, and it certainly is impossible to imagine it amid the complex conditions of modern life.

The chief positive result arrived at in the book is thus seen to be unsatisfactory. The more critical portions are, however, both valuable and interesting. The first paper contains a careful comparison and contrast between the methods available for the investigation of economic and physical sciences. The article on Darwin draws attention to the way in which the law of the "Survival of the Fittest" seems, when we reach social life, to be superseded—at least, in its

physical aspect, by a law of the "Survival of the Unfittest." The facts which have struck Professor Loria are those which suggested to Mr. Kidd and Mr. Arthur Balfour the theories propounded by them. They are important and significant truths, and it is good to regard them from all sides, however we may attempt to account for them.

Again, an element of value in the studies before us is found in the restatement with modifications of the Law of Population. It certainly does not detract from the truth of Malthus's great generalization, that it requires modification in the form in which it is stated, according as the conditions of life vary; but such alterations of statement are imperatively needed. We have here the truth brought out that it is not the absolute density of the population which causes pressure on the means of subsistence, but the number of persons in relation to the economic condition of the country. This is, of course, a truism now, but one that it is well to have reiterated in various forms, as it is frequently lost sight of.

The book gives evidence of the wide and varied reading of its author, and contains much careful and interesting work, which, although, as has been pointed out, not altogether calculated to command our acquiescence in its conclusions, is yet well worthy of perusal and consideration.

E. A. PEARSON.

THE TRUTH ABOUT AGRICULTURAL DEPRESSION :

An Economic Study of the Evidence of the Royal Commission.

By F. A. CHANNING, M.P. [xvi., 388 pp. Crown 8vo. 6s. Longmans. London, 1897.]

The unsatisfactoriness of the Report presented by the Royal Commission, after several years of labour, has been generally remarked upon. Mr. Channing in his Minority Report, signed only by himself, which is here republished, and in the terse and pithy Preface which he has prefixed to his volume, shows that if the Report is poor, the cause of its poverty is not the want of serviceable material contributed. The reports presented by sub-commissioners and the evidence given by witnesses are full of instructive matter, which will warrant a very different conclusion than that which the majority of the Commission have drawn from it.

We have a curious way, when we institute an inquiry with a view to reforming and recasting any of our institutions, to entrust that inquiry by preference to partisans of the old state of things. We have seen such partisans well represented on the Agricultural Commission, and have repeatedly heard their pleadings to this effect:

"Leave everything as it is ; only give us grants of money, give us Protection, and give us Bimetallism ! Lower rents ? That would be preposterous ! Why, rents have gone down by fifty per cent. already." Mr. Channing shows from the Income Tax returns that this is an exaggeration. In particular cases rents have indeed gone down at this rate, but, generally speaking, they have declined by only sixteen per cent., which is less than they previously went up by, and less than seems warranted in view of the general depreciation of agricultural produce. The tenants are still made to bear the main part of the burden. Mr. Channing quotes some specific cases, in which he shows that a fair and moderate reduction of rent, say by thirteen per cent., such as under the circumstances appeared called for, would have kept good and careful tenants solvent, and their holdings clean and in good heart, instead of ruining both, to the landlords' loss as well as the tenants'. Penny wisdom in those instances proved as foolish a policy as it always does.

But that is not the main burden of Mr. Channing's preaching. That burden is, that our law as well as the practice of many landlords—for Mr. Channing gives becoming praise to the good and enlightened ones—is bad, and wants reforming. There is plenty of stuff left in British agriculture for success and prosperity, if we will only allow it full play. But under our peculiar system, which has led the landlord to look for security, less to the quality of his tenant than to the law of distress, the bad farmer, who exhausts a holding and does poorly for himself and for his landlord, is favoured ; and the good tenant, who might enrich the country and his landlord while enriching himself, is placed at so serious a disadvantage that he cannot enrich any one of the three. The landlord as a rule sees no particular occasion for being careful in the choice of his tenant. He relies on landlord's distress, he relies on covenants which hinder good farming, will not let his tenant cultivate the crops which pay best, or sell the produce which is most remunerative at the time, but ties him down to the *antiquæ viæ* of agriculture. And when, in spite of this, the tenant does well, manures and improves the land, at the end of the term the landlord raises his rent upon his own improvements, or sends him away with his money left in the land, which of course in such condition there are plenty of people ready to take. Such, at least, is the case that Mr. Channing here tries to prove. At the close of the volume Mr. Channing gives the text of his own Agricultural Holdings Bill, which probably he is not sanguine enough to expect to see passed at once, but which will help to keep the ball rolling while Parliament is adverse, until some day a Government finds itself induced by

political considerations to perfect the work of 1875 and 1883, by a new, and let us hope, an effective measure. Mr. Channing's book ought certainly to be read.

HENRY W. WOLFF.

AGRICULTURAL AND TRADE DEPRESSION. A Reply to the Report of the Agricultural Commission. By CHARLES W. SMITH. [56 pp. Fol. 2s. Sampson Low. London, 1897.]

This big pamphlet is a protest against the action of the late Royal Commission on Agriculture : first, in omitting to publish in the evidence the statement laid before them by the author, as well as his cross-examination ; and secondly, in declining to recognize any practical connection between speculative dealing in wheat futures and the agricultural depression, the causes of which formed the subject of their inquiry. The author's experience as a produce-broker having led him to trace a persistent tendency in the use of time-bargains and options to depress prices, he has applied himself to developing the theory that these practices lie at the root of the low price realized for corn, and of the consequent depression in agriculture prevailing on the Continent as well as in England. He therefore has not only written a book on this subject, entitled, *Original Theories for Depression in Agriculture and Trade*, but was very ready, upon the appointment of the Royal Commission, to lay his views before it.

From the Report issued by the Commission, it appears that these views were shared to a less extent by Mr. W. E. Bear, and also by Mr. Seth Taylor, one of our largest corn-merchants. Mr. Smith adds a large and somewhat miscellaneous collection of extracts from letters written and received by him ; resolutions passed, or at least moved, in Parliament and in Chambers of Commerce and Agriculture ; and legislative enactments, which appear to support, more or less strongly, his contention that Parliament should interfere to forbid speculation in prices, as Canada has already done. He quotes sections 201 and 202 of the Canadian Criminal Code, making it an offence punishable with five years' imprisonment, plus a fine of \$500, to enter into an agreement for the sale or purchase of stock or merchandise without a *bond fide* intention to transfer the article named in the agreement, as a precedent to be followed by England. He strongly opposes the opinion expressed in the Royal Commission's Report, that the influence of fictitious sales upon the price of the actual commodity is but slight. He cites, in reply, the statement made in the *Standard* of the 9th of June, 1897, that, the world's visible supply of wheat being at that date only 11,142,000 quarters, the price was 28s. 2d. per quarter, whereas in 1891, with a

visible supply of 15,070,000 quarters, the price was as high as 40s. 1d. The author's explanation is that, at the latter date, English and American operators had made a pool in options, while this year the leading speculators were "bears of options." Hence the striking fall of prices in face of the smallest supply recorded for many years.

Mr. Smith's every page teems with indignant italics.

C. H. D'E. LEPPINGTON.

**GRUNDZÜGE DER AGRARPOLITIK UNTER BESONDERER
WÜRDIGUNG DER KLEINEN UND GROSSEN MITTEL.
Von Dr. A. BUCHENBERGER, Präsident der Grossherzoglich Badischen Finanz Ministerium. [308 pp. 8vo. Parey. Berlin, 1897.]**

How is agriculture to be helped? The question is being asked in all countries, for in all countries agriculture is suffering more or less under the effects of a general depreciation of its products, resulting in the main from the cheapening which has taken place in the means of transport. How largely such reduction of carriage is answerable for the lowering of prices, Dr. Buchenberger shows, by instancing a truly astonishing decline in the freight of wheat carried from Cawnpore to Hamburg, from 83·26 marks (or shillings) per ton in 1876 to 1880, to only 42·64 marks in 1891 to 1895, accounting for five-sevenths of the entire reduction in the price of such wheat. Since the trouble is so general, different countries may well compare notes on this important subject.

Therefore, President Buchenberger's little book, which deals specifically with the great problem of the day, and directs its argument against those demands for State aid, Government patronage, protection, bimetallism, etc., which form the burden of agriculturists' remonstrances everywhere, though designed directly for Germany, will very well bear reading in this country. Its author, who, as is understood, but for his decided opposition to "agrarianism"—the favouring, that is, of one class at the cost of all others,—would, after a brilliant career as Agricultural, and afterwards Finance, Minister in Baden, now be Minister of Agriculture for the German Empire, is known to be a man of wide knowledge and enlightened views; and under his administration his own agricultural department has grown to be something of a model department in Germany. Dr. Buchenberger is not heroic enough to reject the idea of State aid entirely, even in the narrower sense of the word. While we see even our own *Times* lamenting over Mr. Lowe's repeal of the one-shilling registration duty, we are scarcely entitled to look for pure free-trade faith in a German government officer.

He would have agriculture sufficiently favoured by a protective tariff to maintain it in a remunerative condition, and to secure to each country an adequate command of native corn and food stuffs. He frankly finds fault with us for having placed ourselves, in respect of our corn supply, at the mercy of the foreigner. But, at the same time, he shows his troublesome "agrarian" countrymen, that there is a great deal remaining to be done which they can themselves do, and only they.

That is the lesson which this book is intended to drive home. And one is surprised to find how many sore spots there are on which the author can lay his finger and say, "At all these points the State cannot help you, but you yourselves can." This lesson wants teaching here as well as in Germany ; and in many cases President Buchenberger's cap would fit our farmers' heads as well as those of their German classmates. One point comes out very strongly in Dr. Buchenberger's graphic sketch of the present condition of agriculture, and that is the decided economic superiority of small properties over large. Where land is divided, so the author shows, its occupiers have given proof of incomparably greater power of resistance under the trial of distress. Owners are less indebted. There have been fewer forced sales. And, lastly, in the districts where subdivision of land prevails, rents have receded by only 1·3 per cent., in comparison with 25, and even 47, per cent. elsewhere.

HENRY W. WOLFF.

DOMESTIC SERVICE. By LUCY MAYNARD SALMON. [307 pp.
8vo. 4s. 6d. Macmillan. New York, 1897.]

An enquiry into the conditions of domestic service in America was made in 1890 : five thousand question-forms were issued, which were filled in by over one thousand employers and over seven hundred servants. The results of this investigation have been tabulated and commented on in the book before us, which also contains classified tables of wages for domestic service, teaching, and other professions. Statistics given in the *Labour Gazette* (January, 1895) show that the average wages of London servants are less than half what similar services receive in America, except in the case of nurses, where the difference is only two-thirds. The average wages of an American servant are £34, to which must be added £50 for board and lodging : the average earning of an American teacher is £110, but from this must be deducted £59 for suitable board and lodging.

In comparison with other professions in America, the wages paid for domestic service are high and the hours of work are short ; but these

statistics show that the wage factor alone does not determine the number of those engaged in service, and Miss Salmon proceeds to discuss the special difficulties of employer and employed.

The employer has to contend with a foreign element in his household, and one strongly infected by the restlessness of the day, and frequent change of servant means frequent use of unskilled labour, i.e. waste of time and materials. He also suffers from the misleading characters given to servants by good-natured employers—an evil deplored by Defoe in his treatise on *The Insolence and Unsufferable Behaviour of Servants* (1724).

The question is further complicated by the fact that the patriarchal system has bequeathed to the employer a spirit of individualism, which could not exist in any form of business except domestic service : wages are regulated by his purse, hours of service by his caprice, and moral questions by his personal convenience, and he feels that his neighbour has no more concern with his business relations to his servants than with the cut of his coat. But a manufacturer could not unduly decrease, or, out of kindness, double, the wages of unskilled labour, or greatly prolong or shorten the hours of work, without being called to account by competing manufacturers. It is evident, therefore, that, before domestic service can be freed from its perplexities, the individual employer must learn to recognize his responsibility towards those outside his own household.

Turning to the difficulties of the employed, we are reminded that they have little or no scope for promotion ; their work is soon learnt and thereby loses all freshness of interest, while it has all the monotony of daily repetition ; no hours are free by right, and the servant is always liable to interference,—as the artless complaint of one servant puts it, “Girls in housework are bossed too much.” Then, again, the servant can show no hospitality, “she cannot give a small dinner-party or a chafing-dish supper,” neither can she learn to play the violin. Visitors in the house are never introduced to her, and, worst of all, she is liable to be tipped, a “species of backsheesh that . . . has its origin in snobbishness, and results in toadyism and flunkeyism.”

Miss Salmon next considers the economic tendencies of the day, with which all reasonable reforms must be in accordance—e.g. the concentration of capital and labour in large enterprises ; the specialization of labour ; trade unions ; profit-sharing ; greater industrial independence in women ; increasing publicity in all business matters ; and the efforts of modern philanthropy to enable a man to help himself. She considers that the problem really is, “not how to increase the number of domestic drudges, but, how to diminish the amount of house-

hold drudgery." She thinks much may be done to remove the social stigma (*e.g.* ceasing to demand cap and apron as a livery), but that this will be insufficient, unless we also act on the lines of co-operation and the division of labour. Many articles of food, for example, could be prepared almost entirely at the shop, instead of by servants in the house. "When it becomes the custom for families of wealth to have few or no domestics under their own roofs, the great problem of how people of limited incomes can have comfortable homes will be solved."

But the most far-reaching solution, according to Miss Salmon, would seem to be profit-sharing. She does not face the possibility of an avaricious cook, who might make the family feel that every mouthful they ate was grudged to them, but she believes that this system would save both worry and waste, and produce the industrial virtues in which servants are now so deficient, namely, "diligence, zeal, caretaking, vigilance, punctuality, fidelity, continuity of effort, willingness to learn, a spirit of co-operation, and a personal interest in all business affairs."

If we turn from America to England, it may well be that Miss Salmon's remedies would not meet our case, but the same trouble confronts us, though in a less acute form. The London and Domestic Servant's Union¹ has issued a pamphlet upon the grievances of servants —*e.g.* the difficulty in obtaining true characters from employers; the danger from boiler explosions, and outside window-cleaning; unprincipled registry offices, and the need of better wages and more hours for outdoor recreation. Moderate and feasible means of meeting these difficulties are suggested in the pamphlet which is well worth reading.

In regard to the difficulties of employers, Miss Salmon's suggestion of decreasing the number of servants goes to the root of the matter, but who is to do the work? Is it Utopian to dream of a time when the daughters of the house (who need no such artificial stimulus as "profit-sharing" to sustain their interest in its affairs) may find that they can be as truly ladies in the kitchen as in the drawing-room? Many a girl spends her youth in gaining a pittance as nursery governess, when she could have saved a larger sum by housework at home. It would be a trial to many poorer families to let their daughters do housework, unless the fashion were set by some who were under no such necessity. A Guild of Holy Poverty in the upper classes would wonderfully simplify life for those who feel their gentility to be the only possession left to them. Also there is no such remedy as the wholesome fatigue of manual labour for low spirits and "fond" imaginings

¹ Secretary, Thomas E. Barnes, 33, Southwick Street, W.

—the more than seven evil spirits—which beset unoccupied girls; future headwork would probably be improved in balance and strength, if it were the fashion for girls to do real housework for a year or two, in the spirit described in the *Bothie of Tobernavuolich*.

L. H. M. SOULSBY.

NOTES ON POLITICAL ECONOMY FROM THE COLONIAL POINT OF VIEW. By a New Zealand Colonist. [204 pp. Crown 8vo. 4s. 6d. Macmillan. London, 1897.]

In his address as president this year of the Psychical Research Association, Professor Crookes indicates the startlingly different conclusions, as compared with those now generally accepted, to which the study of natural phenomena would have led intelligent observers, had the human race been constructed on a microscopic scale. The consciousness that the accuracy of our theories is dependent upon the extent of our field of observation, and that they are therefore always liable to require remodelling with fresh advances in our knowledge, imparts a special interest to the deductions in the sphere of political economy arrived at by denizens of a new country. By a New Zealand colonist, the country *par excellence* of experimental legislation, we have an especial right to expect to find old subjects discussed in the new light of local experiences. The present volume is distinctly disappointing in this respect. The writer of it makes barely an allusion to local conditions, but confines himself instead to those with which European economists of various schools have already sufficiently familiarized us.

This remark admits of one exception. The writer expressly accepts the fundamental assumption of true Socialism, that individuals exist for the benefit of the society they compose, which has a personality of its own distinct from the sum of the personalities of its constituent members. Or, to borrow a metaphor from the laboratory, that society is a combination, like water, and not a mixture, like atmospheric air. He prefers, however, the title "Nationalist" to the more usual one of Socialist—a distinction significant of a good deal. "The nation, like the man, is a living organism, having an existence connected with, yet distinct from, that of the individual atoms of which it is composed. . . . To the Nationalist the nation is the supreme consideration, and the man only an atom, soon to yield his place to a successor" (p. 35). And again, in speaking of the American War of Independence, he asks: "How can we regard a nation so born and so matured as a mere joint-stock association? How regard it as other than a Divine creation and an organism as distinct as man?"

Thus the author's Socialism is primarily racial and local, or one might say geographical, instead of sectional and cosmopolitan, such as we find it in Europe. The solidarity of all the inhabitants within a given area, instead of that of the proletariat everywhere, is its objective. Accordingly, he is a decided Protectionist. Home trade, and not foreign trade, is the one trustworthy foundation of a nation's prosperity. "Advantages of position, or security of risk of foreign invasion, may make a city or a country a central world-mart, bring all nations trading at its door, and great floating wealth to its people. But history teaches how precarious are such sources of wealth to a nation. . . . Continued and increasing yearly production within a country is the only true source of national wealth." This doctrine may be all very well for nations whose territory includes all soils and all climates, and who can borrow freely. But it is not very applicable to countries rich in minerals but covered with a barren soil, or else rich in food produce, but in nothing else, and a Norwegian or a Greek would hardly adopt it. If it has been the besetting temptation of the commercial classes to regard property, to use our New Zealander's phrase, as everything, and man as merely an element in its creation, it is no less the tendency of social reformers to overlook the restrictions which our limited command of the resources of nature, as well as the limited extent of those resources themselves, imposes upon us, or to rely too implicitly on the omnipotence of science to surmount them.

Though economics be not one of the exact sciences, this does not excuse inaccuracies in treating of it, or a disregard of our own definitions. Our author falls here and there into both errors. For example, Mr. Mulhall's estimate of the aggregate incomes of the 6,820,000 families inhabiting the United Kingdom as equivalent to 1285 million pounds sterling is quoted, and it is pointed out that a minimum income of £30 plus "the rudest form of healthy shelter" for each family would still leave "the vast sum of 1085 million pounds sterling to be fought for yearly, and to keep alive the individual energy on which, as man is now constituted, the progress of the race and the nation must depend." He omits from his reckoning the annual value of the aforesaid healthy shelter, which would add at least £3 to each minimum income, and would therefore proportionately diminish the remainder, which is to be relied on as the incentive to individual energy. Again, at p. 63, national wealth is defined to mean "the accumulated products of the labour—mental and manual—of the whole people." At p. 82 it is observed that "without credit the mass of inert matter which forms the national wealth would remain inert." In these two passages the same term is interpreted in mutually exclusive senses.

A good deal may be said for the view expressed at p. 179 and elsewhere, that industries which cannot bring in reasonable remuneration to those engaged in them ought not to be pursued. The difficulty, as usual, lies in the actual application of the principle. There are not a few occupations—match-making, caretaking, and the like—which may not offer adequate wages to men or women having families to support out of them, but may yet maintain single girls living together or at home, or pensioners, as the case may be, in comparative comfort. Are such employments to be suppressed because people for whom they are not adapted sometimes try to obtain them? Before this question can be answered, we have to decide whether (omitting for the moment the influence of demand and supply) labour ought to be recompensed according to its utility or according to the requirements of the person who gives it. And this second question is a very big one indeed, because the labourers whose interests are concerned are themselves disagreed upon the issues it involves.

C. H. D'E. LEPPINGTON.

UEBER DIE WIRKLICHE ENTSTEHUNG DER CAPI-TALIEN. Von Dr. jur. OSCAR JURNITSCHEK. [144 pp. 8vo. 3 marks. Puttkammer and Mühlbrecht. Berlin, 1897.]

It is the avowed aim of this treatise to dispose of some of those definitions and axioms propounded by Marx regarding the nature and origin of capital upon which Socialist dogma in Germany is so largely based. The author examines the following assertions of Marx at some length: that labour is the origin of all value; that capital springs exclusively from the exploitation of the labourer through the appropriation, on the part of the capitalist, of the difference between the value in use (*gebrauchswert*) and the value in exchange (*tauschwert*) of labour; and that the average time required for processes of production is the correct measure of the value of the article produced. Other recent writers on economics have had no great difficulty in refuting such exaggerated and sweeping statements, by arguments which resemble the subtle and unreal abstractions of *Das Kapital* less closely than do some of Dr. Jurnitschek's own. For instance, he devotes several pages to discussing whether things actually are values, or whether they only possess value; and in another place he attacks the institution of labour-time as a test or gauge of value on the ground that "time being a *non ens*, it is only in a strained signification that it can have value as the measure of the transactions which are accomplished during a given change and sequence of phenomena" (p. 33). To an Anglo-Saxon intelligence he seems to make a much

stronger point when he shows that, as the time spent in first learning how to do a piece of work and then in doing it is no test of the usefulness of the work when done, and so cannot be, as claimed by Marx, the measure of the value of such work. He emphasizes the indisputable fact that the estimate of six hours' labour a day as sufficient to maintain the workman at the standard of living now secured to him by the wages he receives for double that length of labour-time is a purely arbitrary assumption. He might have gone further, and have said with perfect truth that no man could, even if he had full command of raw materials and tools, supply himself with such commodities as he could obtain, under present social conditions, with the wages of an ordinary labourer earned in the same labour-time. The simple inability to master all the processes required for the production of the commodities must render such a feat impossible.

The author's contention that, under the system of subdivision of labour, the operations of the individual workman add no value to the commodity he is engaged upon, is much more questionable. It may be replied that the total labour involved in producing the commodity is an important constituent of the value of that commodity, and that the individual in contributing his quota of the total labour, contributes to that value. A commodity may, perhaps, be said to have only potential value so long as it has not actually been brought within reach of the man who wants it, and it is one of the weakest points in the Marxian theory that, in accentuating the importance of even merely mechanical production, it overlooks the often more involved processes of distribution.

C. H. D'E. LEPPINGTON.

INTERNATIONAL BIMETALLISM. By FRANCIS A. WALKER,
Ph.D., LL.D. [288 pp. Crown 8vo. 4s. 6d. Macmillan.
London, 1896.]

The small book on International Bimetallism, by the late Doctor Walker, is interesting as marking a stage in the controversy; but it is altogether too controversial and tentative to take a place among his greater works. His recent death has removed one of the leading economists of the time, one who closely connected theory with practical life, who took part in activities around him, and, with no spirit of academic aloofness, took a side in the controversies of the day. However we may differ from him in these, we acknowledge the power with which he handled all economic questions, and his robust method of economic inquiry.

This book is primarily an investigation of facts. It consists of a review of monetary history, followed by an application of these facts

to monetary questions, and an account of the debates thereupon. The beginning is thus a mere statement of facts, but as these approach the present time, the author more and more leaves the tone of quiet investigation, and attacks his opponents for unsoundness of argument, unfairness of treatment, and so forth ; leaving the heights of economic reasoning for mere journalistic conflict, thereby seeming to prove his own remark, that, in treating monetary questions, men are unable to reason calmly, and lose fairness in the heat of dispute. Of itself, this sketch of monetary history might be useful ; but after the opening, it is not very clear. The author presupposes knowledge of the leading facts, so that he gives no definite outline ; and the book can therefore be used only to supplement knowledge. This limitation we can hardly complain of, since his very force is due to his participation in the life of the world ; and here he throws himself boldly into the contest—a contest as yet undecided, so that his book does not approach finality.

Into the question how far he proves his case it is impossible now to enter. It is, perhaps, safe to say that the book, as a whole, is not pre-eminently convincing. It is thrown into the dispute to help his side—and so far it is successful. It is vigorous, it suggests thought, it shows the value of historical inquiry ; but, finally, the beginning of clear reasoning is somewhat lost in an end of satire, though it never descends to abuse.

M. W. WHELPTON.

SHORT NOTICE.

PRINCIPES D'ÉCONOMIE POLITIQUE. Par CHARLES GIDE, Professor d'Économie Politique à la Faculté de Droit de Montpellier. [viii., 616 pp. Crown 8vo. 6 fr. Laros. Paris, 1896.]

More alterations, M. Gide tells us, have been made in this fifth edition than in any of the others except perhaps the second. Six or seven historical chapters have been added, and large portions of the book have been completely remodelled. "I would like," he says, "to be able to say that this revision is final; unfortunately I cannot entertain any hope of that kind." A critic objected to the number and size of the notes, on the ground that "this two-storeyed construction fatigued the reader by compelling him to be perpetually getting up and down stairs." M. Gide replies that some readers may remain on the first floor.

THE NEW TRADES COMBINATION MOVEMENT.

IN proposing a vote of thanks to the chairman of one of his meetings in the Birmingham Town Hall, on October 12, 1894, the Right Hon. Joseph Chamberlain, now Secretary for the Colonies, made the following remarks:—

“ Gentlemen, if you will allow me, we have one duty to perform. You will allow me to propose that a vote of thanks be given to Mr. Smith, the chairman of this evening’s meeting. I do not know that any one could more appropriately have presided upon this occasion, or that we could have had a better chairman at a meeting to consider social questions, for Mr. Smith himself is a great pioneer in that matter.

“ I do not know whether you are aware that, within the last year or two, he has carried out, in connection with the trade with which he is connected, a great social experiment, the results of which have been truly marvellous. In a trade in which formerly every one, whether workman or employer, was dissatisfied, he has brought contentment. Wages, I believe, have been increased, profits have become larger, and, curious to relate, the demand and the production have increased at the same time. This experiment, I believe, is capable of great development. I understood when I was last in Bradford that a great trade in that city, acting on Mr. Smith’s suggestions, have agreed to adopt the principles upon which he has secured success. Those principles involve a hearty union between employers and employed, and I trust that all who find themselves in a difficulty will, at all events, give some consideration to the solution which Mr. Smith believes he has found. I am always glad that a new light should proceed from Birmingham ; and if Mr. Smith is successful in dealing—as I think he may be—with many of the most urgent of our social problems, he will have gained from us an additional claim to our gratitude and respect.”

At that time the New Trades Combination Movement was, excepting in its application to one particular trade, scarcely known. Not many public men had heard of it; and of those

who had, few believed in it. More recent events have proved that the judgment of Mr. Chamberlain was not at fault, or his advice to trades in distress out of place. On February 17, 1896, Mr. William Woodall, M.P. for Hanley, Staffordshire, and Financial Secretary for War in the late Government, at a joint meeting of employers and employed, held in Hanley, while addressing the meeting on the subject of trade combination, said—

“I am not quite sure as to how much of real originality there may be in Mr. E. J. Smith’s scheme. I suppose most of us have had our theories as to the way in which what he is bringing about should be accomplished. Speaking for myself, I may say that I have thought about it for many years, and I have conceived many plans whereby I could properly divide the profits of my business between my work-people and myself. Unfortunately, I could never carry any of them out, for the simple reason that I could not make any profits to divide. The difference between Mr. Smith’s plan and any other seems to be that he first makes the profit for use, and then shows us what we ought to do with it.”

This is the opinion of a clear-headed and able man of business, then held down by reckless competition and underselling in one of his several interests, but willing to test in one of his businesses a scheme which has proved thoroughly successful elsewhere, and which has now succeeded in his own.

Sir James Smith, ex-Lord Mayor of Birmingham, speaking at the annual dinner of the Bedstead Manufacturers’ Association, held at the Grand Hotel, Birmingham, on January 30, 1896, said :—

“I think that not only the manufacturers, but the public and work-people have profited by the work of our association. Since the association was formed, the work-people have had their wages increased to the extent of 25 per cent., which is equal to the addition of £1000 a week to the wages paid in Birmingham ; and I have reason to believe that the wages have been well spent, while the work-people have improved in character and self-respect.”

These are the opinions of three only of the many public men who have expressed their views of a movement which has now stood the test of years, and the success of which, up to the

present, cannot be denied. It is, nevertheless, comparatively speaking, in its infancy, and, like most other movements which aim at creating a new order of things, it has suffered not only from prejudice, but from want of proper knowledge of its principles and objects. The time seems to have come for an attempt to remove this prejudice, and to supply the reading public with more information from which to judge of its character and merits. That it is a bold, and in several respects an original scheme, intended to change the whole system under which manufacturing is carried on in this country, is admitted. The *Times* of January 3, 1896, states that "in miscellaneous industries the trades combination movement for regulating prices and wages continues to spread;" but not even the *Times* can be aware of the extent of the progress it has made even since the statement was written. If, therefore, it is conceded that the scheme is bold, original, and progressive, it should be well worthy the attention of those who deplore the present condition of many trades, a condition brought about by unnatural—almost brutal—means, which produces bankruptcy among manufacturers and misery amongst work-people. Among the many schemes which have been suggested for the purpose of improving matters, the one I am advocating has, at least, fair claims to intelligent and careful consideration. At the outset, I wish to disclaim any pretension to a profound knowledge of economic principles and theories, as propounded by teachers of economic science. I am not conscious of any collision between the plan I suggest and the well-known conclusions of economists; but I approach the question from an entirely practical point of view. It is one thing to theorize concerning the remedy of a great evil, it is another thing to put the remedy into practical operation. This movement has long outlived the theoretical stage. It is a living, tangible fact. It has accomplished in some trades what every trade must desire; and, in the interest of trade generally, it seems necessary to explain how.

Since writing the articles in the *Birmingham Daily Post*, *Machinery*, and the *London Daily Chronicle*, it has been brought home to me very conclusively that not only the public who read,

but the journals which profess to teach, need very much information before they can form any just opinion as to the principles upon which the combination movement is built, or the methods by which the principles are carried into effect. It was natural to expect that the daily papers, which are written for the public, should take what they considered to be the public side of the question. Later on, I shall endeavour to show that what is called "the public" have an interest in the movement of quite an opposite character than that suggested by some of the daily papers, and that, in fact, the public reap advantages from its success. Until this question is settled, I cannot complain that some of the papers have been opposed to the movement. All I complain about is, that the newspapers do not lead; they only try to follow their own interpretation of public opinion. Surely our newspaper writers should ascertain for themselves the merits or demerits of any scheme which affects the public interest, and have no right to express any decided opinion until such information has been gained. My complaint is that, instead of seeking information, some have, from the first, made up their mind that this scheme was opposed to free-trade principles, and that in the proposals were included, not only the old restrictions of ancient guilds, but more modern tyrannies, like those of the American trusts and monopolies of every kind. Had their premises been beyond dispute, the conclusions at which they arrived could have suggested no other course than to write the movement down; but their premises were altogether wrong, their conclusions unwarranted, and their attacks upon the system unjustifiable. I must admit that this did not matter, since from the very beginning the scheme to improve trading practices in this country rested on its merits. Business men who carry on their trades for the purpose of making profit never care what the newspapers may say about them. When they fail through underselling, it is no consolation to them to have it pointed out by the daily papers that they have been reckless and improvident. When they succeed, it does not bring them in a penny more to be complimented by the daily papers for their business ability and wise management. A

business man stands alone; he has to carve his own way to success: and by the measure of that success he is praised or blamed. But there is one phase of this movement about which a few of the newspapers have been strangely at fault. It is very well known that there exist in this country rings, pools, trusts, and monopolies of all kinds, by which single firms, or a few firms combined, have managed to heap up in a very little time large fortunes. These monopolies are seldom discussed in the daily papers. The aim of the promoters has always been to work in the dark as much as possible, to control in every way the law of supply, and to take every advantage of the law of demand. They are pointed out as successful men of business, and no odium is permitted to attach to the means by which their wealth and position have been gained. If this means anything, it means that all you have to do is to be 'cute enough not to be found out until you have succeeded, and to succeed to such an extent that your very measure of success commands admiration. Either the daily papers keep a sharp look-out for commercial immorality, or they do not; and when this kind of thing is permitted not only to pass unnoticed while in progress, but is commended when it has succeeded, it cannot be consistent to condemn a scheme with objects more moderate, and, as I think, more commendable.

The idea sprang from the conviction that the traders of this country, in many industries, were working without profit, for want of a mutual understanding. At its installation it proclaimed, as the first article of its creed, that no one ought to manufacture and sell an article without making a profit on the transaction. No one has ever yet been bold enough to attack this premise. It proceeded to show that without combination the obtaining of profit on every article manufactured was utterly impossible in some trades. The arguments by which this was proved have never been questioned, so that the foundation upon which the whole scheme has been built has been permitted to go unattacked. It was only when the remedy for a great and acknowledged evil was suggested that its opponents appeared upon the war-path with two weapons only, one being a charge

that tyranny was intended, and the other that the public would be the sufferers. As to the tyranny, it no doubt remains, as it ever will remain, a matter of opinion. It is very difficult to say what is, and what is not tyranny. I shall try to prove that there is no tyranny in this movement, but that it is intended to combat tyranny. Whether I prove my case or not I must leave to the judgment of my readers. If coercion it is, it is of that kind which is absolutely necessary to prevent undue license. It is the determination of a community, which has to consider the interests of the many against the unthinking or tyrannical few. It is a crusade of intelligence against ignorance, of enlightenment against prejudice; it is the outcome of a resolve to trade on fair and just principles, notwithstanding the wish of a few to do exactly the opposite. And not only have the principles of the scheme been clearly set forth, but the methods have also been openly explained. Nothing has been more clearly established than the fact that it is impossible to make large fortunes in a short time by this system, and that whatever is made, is made fairly by all concerned. Yet while the daily papers have allowed the great monopolies of the country to pass unnoticed, some of them have chosen to take up an aggressive attitude towards a plan which establishes no monopoly, and which simply has for its object the placing of every business upon good business lines. I am not forgetting that recently some change has come over this attitude. True to their character of followers instead of leaders of public opinion, some have recanted altogether, and some are only sitting on a fence; but the fact remains that they have condemned a movement of which they knew next to nothing, and did not even take the trouble to inquire into.

The first trade in which the movement was introduced was my own. As a manufacturer I had long felt the folly of selling without profit, and had long deplored for myself and others the inevitable consequences. All the old and familiar remedies had been applied, only to leave matters worse than before. For several years I was engaged in trying to convince my competitors that there was a better plan, and finally succeeded in convincing the whole of them that it was worthy of a trial. The testimony

of the ex-Lord Mayor of Birmingham, who is a manufacturer in the trade, and a member of the association, but who was at first one of the most difficult to convince, describes the results far better than I can. Every word he spoke on the occasion already referred to, was absolutely true. After years of trial the movement in the bedstead trade has made no man rich. It has only assisted manufacturers in getting fair profits for the exercise of their brains, and the use of their capital. To the workmen it has given an increase of wages which is fairly proportionate to their share in the movement, and with which they are content. It has effectually put an end to all dissension between employers and employed, and has created a fellowship between them which perhaps has never been equalled in this country. Meanwhile, as an outcome of its first principle to put on profit only in proportion to the cost of production, it has given to the poorer people of this country bedsteads at exceedingly low prices, and in some cases even at lower prices than before the combination was formed. It is quite true that it has compelled those who can well afford to pay for luxuries to give a little more for the articles they must have, but on the whole it has only secured a fair and proportionate profit on every article made and sold. All these are facts, which have been proved over and over again, and which have never been controverted in a single line in any newspaper in this country. Every attack has been made on the assumption that the scheme contained something which it did not contain, and which was never dreamt of by its promoter, or by those who adopted it. The plan would have failed long ago had it been unworthy the commercial traditions and instincts of the greatest commercial country in the world. It has succeeded because it is beyond the power of the daily papers to injure it in any way. In speaking thus of that portion of the press which has done everything in its power to condemn the scheme, I wish to do justice to other journals of a commercial character which have from the beginning given the system their utmost support. Many of them have from the beginning taken the trouble to find out what the movement really was, what its aims were, and what was the true

measure of its success. Some of the daily papers have done likewise, and they have had no cause to regret the course they have taken. They have been the leaders, not the followers, of public opinion, and they have done very much towards inducing unthinking people to inquire into the movement for themselves.

In December, 1895, an article appeared in *Machinery* under the heading, "Is the Underseller a Criminal?" This is a question which has attracted a great deal of attention lately, and it will probably engage even more in the future. To me there has never seemed to be more than one answer. That the underseller is not a criminal legally, at present, is a matter to be deplored, but that he is so morally seems beyond question. It is true that it is possible for some traders to do a large amount of underselling, and still continue to pay their creditors twenty shillings in the pound. It is also true that fortunes have been made by some special kinds of underselling. It is, however, impossible to judge of the morality of an action from the measure of its success in special instances. Success to one individual frequently means ruin to many others. There must be a principle upon which trading should be carried on, and that principle cannot be to sell articles at the same price as, or less than, the cost of production. That inventive genius may find better methods, and improve processes of manufacture which, by cheapening the cost of production, will, very properly, turn the current of some trade into one particular direction, is a matter of course; but this is not underselling in the wrong sense. Ingenuity and enterprise in business must be followed and imitated, or the stupid or sluggish must suffer. Moreover, every opportunity must be given to industry and ability in business, and any scheme which aims at fettering or limiting either, cannot be universally adopted, or be for long successful. But every business man must know that these are not the causes of the underselling which ruins manufacturers, and drags even the skilled workman down to starvation wages. The kind of underselling condemned arises from two causes only—ignorance and recklessness. Possibly both are not equally criminal, but both are criminal nevertheless. Any trader having to meet his creditors from either of these two

causes, and not being able to satisfy their lawful claims, is a dishonest trader, and should be so recognized by the laws of any country. The time will yet come when we shall follow the example of some other countries, and make this a criminal offence. It must be remembered that the effects of underselling do not stop with the underseller, or even with his creditors. He has probably succeeded in dragging a trade down to his own level. He has prevented honest men from gaining an honest living. He has flooded the market with an article for which, after all, there can only be a certain demand; he has injured—perhaps ruined—the competitors who wish to do a legitimate trade. Also, unfortunately, his meeting with his creditors seldom ends his dishonest career. A composition is generally accepted, and he is permitted to continue for a further period a course which leaves ruin and misery in its train. It is a scandal and a disgrace that such persons should be permitted to harass legitimate trading in a country which enjoys its great freedom because of its many restrictions of unwarranted license.

In the absence of help from the laws of their country, it is natural that traders should endeavour to help themselves. The scheme which proposes to assist in removing this evil is based on the assumption that no trader should sell any article at a price below that which will allow for the cost of manufacture and bringing into the market, with the addition of some profit, however small. It also provides a method by which any one may be prevented from doing so. Before further explaining the scheme itself, it may prepare the mind of the reader for the consideration of the new kind of combination if some attention is called to the defects of the old order of associations.

Their name is legion, for the evil has been so apparent and so deadly that almost innumerable attempts have been made to prevent it. The ordinary method arose out of the most natural conclusion to which any fair-minded and honest man could come. Traders fondly imagined that all that was needed was to call together the members of a trade, and, in a friendly way, make an arrangement with each other to cease from underselling. It was very seldom that all the members of a trade

could be got together for such a purpose. Still, many of them would come, and would readily enough consent to an arrangement which the honest man would intend to carry out to the letter, but which the dishonest man would resolve to ignore as soon as possible. It afforded a splendid opportunity for taking part of the trade of a competitor. We all know the history of these associations. Buyers immediately laid themselves out to invent the most elaborate account of the manner in which members of a new association had broken their pledges. Some of the stories told were correct, but most of them were pure fabrications. Unfortunately the travellers and agents believed everything, and were careful that the stories should lose nothing in their transmission to their several houses. When these reached their principals the same credulity was exercised, until the whole trade was up in arms, and the majority resolved not to be sold by their competitors. This led to the breaking up of the associations. Sometimes they lasted months, sometimes weeks, and sometimes only days, but however long they lasted only the rogues benefited by them, and always the last state was worse than the first. The days of these associations are numbered. Honourable men get tired, in time, of being tricked and deceived, and finally set their faces against any association of any kind whatever. This is one of the greatest difficulties the new movement has to put up with at present. Business men will not believe that there is a new scheme which avoids the evils of the old ones, and provides an effectual remedy. How should they? Success in many trades will be the only argument which will move these people to a consideration of new proposals. Happily this inducement is developing rapidly. Nothing succeeds like success.

Of course there have been other methods tried besides that of coming to an honourable understanding. There is an accountant's method, which insists upon a guarantee for good faith being provided in the shape of a deposit of a sum of money, which is forfeited if faith is not kept. There are two objections to this plan, one of which is fatal. The first is that

it often takes out of a business useful capital which may be greatly needed. The guarantee must be in cash, as the law authorities seem agreed that there is no certain means of enforcing a bond entered into for this purpose only. The money must therefore be paid into an account, and must be forfeited in case of breach. Secondly, this kind of guarantee must be valued at exactly the amount of the first deposit. A manufacturer who wishes to break faith, for any reason whatever, has only to calculate the cost. If it will pay him to forfeit the first deposit, he may do so, and he is at once a free man. Should he be found out against his will, or by accident have done something which forfeits his deposit, he is free just the same. It is only necessary for one man to assert his freedom, and the whole organization is upset.

There have been plenty of other schemes tried. There is restriction of output, and compensation to small makers by larger ones; pooling the whole trade, and dividing the profits in proportion to the respective outputs; the purchasing of certain businesses in order to establish a monopoly by a few; the starving-out process, by which the richest live for a time on capital in order to kill those who have little or none; and many other methods. It is not for me to say much about any of these plans. I do not believe in any of them. I have seen none of them succeed for long. Each one seems to be on a wrong foundation. There is neither righteousness, charity, nor true business principle in any of them. None of them help work-people in any way. They are purely selfish methods, by which more money can be made in a short time at any risk to the future. I was speaking to a manufacturer not long ago about one of these associations to which he belonged. Each maker had paid a deposit of fifty pounds, to be forfeited if any engagement into which he had entered had been broken. Some of the members had done this many times. "Why do not you enforce the penalty?" was naturally asked. "What would be the use?" was the reply. "Each would, after he had paid his penalty, be free to do what he pleased, and the association would have to be dissolved." Of course, in this

case, the association was only a name, and the deposits paid might far better have been left in each business.

None of these expedients succeed for long in preventing underselling, and so they are of little value. Underselling still goes on, and wages are reduced as profits grow smaller. Not long ago, in a large Midland town, a manufacturer had to arrange with his creditors. He pleaded that he had failed through the competition of another maker. These two divided between them entirely the manufacture of an article for which there is a steady and growing demand. They could not agree between themselves, and so they undersold each other, with the usual result. I have met with several trades lately of a most important character, but in which there were only five or six firms in the United Kingdom: yet for years they had made no profit, because they had undersold each other, and they had found it impossible to come to any common agreement. There are scores of such trades in this country. There are scores also of large companies with ample capital, every necessary appliance, and with good management, who yet cannot pay any dividend to their shareholders.

In the Birmingham daily papers, December 10, 1896, there will be found a report of a meeting of shareholders of a large public company which had for, I believe, eight years, presented a report to the effect that there were no profits to divide. This company had been formed for the special purpose of creating a great monopoly in a particular trade. Large capital had been subscribed, and certain businesses had been bought up. For some reason, with which I am not concerned, and do not care to enter into, the scheme failed, as I think all such schemes should, and the company found itself overcapitalized without the enjoyment of the monopoly which it had thought to obtain. After years of wearisome struggling for profit, it joined with the other makers in the trade in a resolution to try the new combination scheme, which, while it did not attempt to establish monopoly, did insure dividends for shareholders.

In the reports of the meeting, it will be found that the only hope held out by the chairman of the meeting was the fact

that I had been requested to form a combination in the trade, and that the work was nearly completed. I am hopeful that future reports will show dividends; but I cite the case in proof of what I have just said. It must not be supposed that failure arises from the effect of foreign competition. Of course foreign competition exists in respect to some trades, and it is very necessary to provide for it when it does exist; but often it is only a name, a bogey which frightens home-makers into underselling, an invention of customers or agents for the purpose of getting lower prices. Even where foreign competition makes itself felt, it is often a fact that it is the foreign maker whose prices are forced down by the insane underselling in this country. I have had to approach foreign makers on this matter, and it has been proved to me over and over again that the fault did not lie with them. Moreover, it is seldom that the foreign maker is unwilling to come to some arrangement, if he can have given to him an assurance of stability, which can come only from the formation of a well-organized association. The first thing to remedy is not foreign competition—it is the competition amongst ourselves. It will be time enough to talk about foreign houses when we have set our own in order. At present every maker has for competitors every other maker at home, and every maker abroad too.

There can be no doubt that work-people suffer from all this. How can they fail to suffer? Every possible means must be used to cheapen cost of production. Unfortunately the first expedient is, generally, to reduce wages. This is brought about by many methods. It does not follow that, because a trade does not meet and resolve to lower the rate of wages all round, wages are not lowered. Workmen are not organized in every trade; but a general declaration that wages are to be reduced awakens a spirit of hostility amongst them anywhere, and they will sometimes fight even without organization. Generally, they are assisted by those who are organized, and public sympathy may also be counted on to some extent when an open declaration is made that wages are to be reduced for the purpose of enabling employers to sell more cheaply. The

public know that they will be able to buy at lower prices ; but the thinking portion know also that the question does not end there. The evil is not remedied. Every penny extracted from work-people's wages will at once be given away in the selling-price, and in a few weeks, or months, manufacturers will be as badly off as ever, while their work-people will be in a worse condition.

Strange as it may seem, a falling in selling-prices does not always encourage trade. Buyers will not speculate in a falling market. They can recognize the downward tendency. It is their business to read the signs of the times, and the smartest buyer is the one who knows when to buy. It is true that to bring an article within the purchasing power of the general public will increase its sale. There are always means of doing this without starving work-people. But in the large majority of cases wages are reduced without increasing the sale in any way. Moreover, the public do not want the work-people to be starved. Low wages means small purchases by working people. They cannot live so well or pay their way so promptly. They have to live in smaller houses. There are thousands of landlords and shopkeepers who must trust them to some extent, and the security grows less as the wage-earning power is reduced. A feeling of insecurity is produced, shopkeepers fail, stocks are kept low, and trade suffers. On the other hand, fair selling-prices, on which profits are obtained, accompanied by a determination not to sell without a profit or to reduce wages in order to make one, bring a feeling of security, and ensures steadiness in respect to both purchases and sales; work-people earning good wages are good customers and prompt payers, and trade generally improves.

Everybody seems to recognize this but manufacturers themselves. To the worst of these there seems to be but one remedy for poor profits. Wages must be reduced, and this is done by every possible means. Old servants receiving good wages are got rid of, and new hands employed at lower rates. Every change is made with the one object—that of reducing wages. It has lately become a favourite device to leave a town where

work-people can protect themselves, and build factories in country districts where wages are lower, where work-people are more dependent, and where love of their homestead, owned, it may be, for generations, is a sufficient guarantee that they will put up with much, rather than imperil their situations. This is not an indictment against the good nature or humanity of manufacturers generally. I have found plenty of cases where the condition of the work-people is apparently of small interest to manufacturers, but this is by no means the rule. Employers have recourse to desperate expedients because they must, if they are to live. They do not wish to undersell, but they cannot afford to lose their trade; they do not wish to reduce wages, but they know of no other method whereby they can keep pace with some of their competitors.

A trade may have gone on prosperously for years, good wages may have been paid, and the public may be satisfied with selling prices. Then some one resolves "to develope his trade," builds larger works, increases his plant, and, finding that he has increased his working expenses, resolves to get more trade at any cost. Or a newcomer enters the business, and finding that he cannot get a connection without giving buyers some special inducement, he does so by way of reduced prices. But old-established houses do not willingly see their trade passing into other hands. They follow him, often pass him in selling-prices; a panic sets in, it becomes a race for trade, and the rest is only a matter of time. The public gets the article cheaper, but in the end everybody suffers—even the public.

The calculations of political economists have always been at fault here. The late Mr. E. A. Freeman believed and taught that competition would find its own level and provide its own cure. Manufacturers, he said, would not go on selling without a profit, and in time undue competition must cease. He was only right in the sense that if a man can get nothing to eat he must of necessity die of starvation. But a man passes through many stages before he comes to this. He will change the quality of his food for something more easily obtained, he will learn how to live on less, he will beg—sometimes steal. He

will live a long time before he has exhausted all these resources. A manufacturer is only a man. He will decrease his expenses—not always a good thing for the public; he will beg by paying his creditors a composition of half their just claims, and obtain permission to go on; he will steal by taking away from his work-people the fair wages to which they are entitled. He will die hard, if at all, and his disease is infectious. He will drag others down with him, and leave ruin behind him. And all for what? That political economists may be vindicated, and be able to prove to the world, what every one knows already—that there must be a depth beyond which no man can sink. Surely the lesson is dear at the price! The impulse of humanity is to rise. We do not want to sound the depths of misery and starvation in order to establish the cold calculations of the philosopher who sits at home and dreams, and sells his books at the highest prices he can get for them, although they only teach us to sell everything we make at the lowest prices we can by any means offer. These economists laugh at the old Trade guilds, regulated by properly appointed officers, representing the employers and employed, insisting upon profitable prices being obtained, and fixing the proportionate wages to be paid.

We have grown so wise that the wisdom of our forefathers is as foolishness to us. We are not expected to stand still, but in our rush for progress there is no necessity to go mad. We are not called upon to give up our principles of right and justice, to sacrifice our instincts of humanity, and to bury even our common sense because we have amongst us a sprinkling of foolish and unprincipled people. Our fathers were wiser than we, at least in this respect. They did not fetter liberty; they only restrained the dangerous who were so either because they could not help it or because of their determination to sink their human instinct in their greed. We have built more lunatic asylums than they did, but we often put the wrong people in them; or we have not built half enough. We have amongst us, walking about with bland exteriors, sought after in social life, even regarded as models for their fellow business

associates, men, who in their mad race for wealth and business supremacy are far more dangerous to the community than half the lunatics whom we guard so carefully. It seems necessary to speak thus plainly. The fact is impressed more and more upon me daily. Restraint is as necessary in this matter as in many of the others which have led us to make restrictive laws. There is no wonder that, with such men in existence, any movement which contains an element of restraint is opposed. They will fight to the uttermost rather than be in any way restricted. They claim liberty—liberty to ruin other people, to make capital a drug in the market, to create bankrupts, to drag down their operatives until they have to struggle for existence, to make it necessary to flood the market with shoddy goods. They talk loudly about foreign competition, but none have done so much as they to drive away our foreign trade.

If England's supremacy in trading is threatened, it is far more because of our quality than because of our prices. Over and over again have I been requested by middlemen to supply anything, so long as the price was low. Refusal has lost trade, but such trade had far better be lost. Such middlemen—merchants generally are not here alluded to—encourage the manufacturer who will supply them with shoddy goods to raise the cry of "coercion," "tyranny," "boycotting" when any attempt is made by any agreement to prevent a trade from being dragged in the dust. They and their confederates spread ruin all about them, and they clamour for the right to continue their evil practices. The days of their tyranny are numbered. The country is growing tired of playing at business, it is growing tired of dictation by a small minority in most trades. If power is to be used, let it be exercised by a majority, and let it be done in order—with method—with an object which will be stated in honest terms, not in misleading hypocritical catch phrases.

There is only one honest way of doing business, *i.e.* to make the best article you can for the money, and to make some profit out of the transaction. You have no right to either cheat your

customer or to ruin your competitor by selling goods at less than it costs you to produce them.

We are told that capital has a right to run risks, and to sell for a while at a loss for the purpose of making a connection; which means that rich men have a right to take away the customers of poorer men by beginning to sell at prices which they cannot continue. Capital has no right to do anything of the kind, and, if the laws of the country will not prevent it, common sense and good organization must. If honourable-minded employers cannot prevent it amongst themselves, they must call in the services of their work-people, and pay them for the help they give. There is justice as well as reason in this course. Both sides have suffered by the practices of the past. Both sides must help to remove the evil; both sides must benefit from the result. This is the principle which forms the foundation of the new movement, the methods of which I will now explain.

It must not be supposed that the reckless and even criminal underselling which I have mentioned is the result only of a deliberate intention by manufacturers to undersell regardless of consequences. There is, unfortunately, another reason of a far more dangerous character than even a determination to beat all competitors in selling-prices. Ignorance and indifference are probably the two worst evils in the world. The man who openly and deliberately adopts a policy of underselling may be dealt with; the man who undersells because he knows no better is, if left to himself, almost beyond redemption. Until a few years ago, I was under the fond delusion, in common with most people, that this person was only one of a small minority, and could not be a very important factor in the consideration of this subject. I know better now. Speaking for some twenty trades which have come under my immediate notice, I should say that such manufacturers are in a majority. It is fair to suppose, probably, that these trades supply the worst cases. It is only natural to expect that the trades which are nominally bankrupt, or approaching that condition, would be the first to call in outside aid, and be disposed to court even what might appear to be a forlorn hope.

I do not wish to cast reflections upon any one who does not deserve them. I can only speak of that which I know. There may be many trades carried on by men who believe in the necessity of correctly taking out costs. I have, however, reason to suppose that the trades with which I am connected for the purpose of bringing about combination fairly represent the majority of the trades of this country. They are many and varied. They belong to no particular locality, but reach from the midlands to many industrial boundaries around. Some of them are of the largest and most important of our industries, some are of the middle class, and some are small and almost exclusive. There is variety enough among them to supply illustration sufficient for all purposes. They have not quite all adopted the combination programme, but they have all recognized and acknowledged the necessity for some alteration in their methods of doing business.

Manufactures which have come under my notice include metallic bedsteads, spring combination mattresses, metal and cased tubes, spun brass mounts and ornaments, rope and twine, metal rolling, fenders, china door furniture, china electrical fittings, galvanized sheet iron, ironplate ware, coffin furniture, pins, marl, common building bricks, and jet and rockingham (potteries) ware,—a variety which seems to leave nothing to be desired. If these do not afford sufficient material for the practical testing of an experiment, I shall be glad to know what could be added. Speaking for these, and of these, I have no hesitation in saying that the one evil in each and all which has most impressed me is the marvellous absence of really useful and practical knowledge as to the cost of the article produced. I found this evil in my own trade, and I have found it in every other. It is not always an acknowledged evil. Moreover I have been much abused for daring to say the evil exists. Yet this abuse has come, not from the members of the trades to which I have referred, but from the critics who write to the papers, and who are seldom tradesmen at all—that is, they are not manufacturers. I have been taunted with venturing to teach experienced men things of which I can know nothing, while

they are naturally supposed to know everything. I do not care to answer this. I will only say that, even if the criticism were just, it should come from the persons interested, and not from those who are in the position which they are pleased to suppose I occupy. It has always been my first endeavour to ascertain how far in any trade a knowledge of cost-taking has been gained. Whenever I find a trade which needs no guidance, I shall only be too glad to be relieved of the necessity for obtruding my own notions. Until I find such a trade, I am justified in assuming that cost-taking occupies a far less important position amongst manufacturers than I consider it deserves. It is a matter which I have always approached with the greatest diffidence, and I have never been surprised to find that my first suggestion on the subject is received with good-humoured ridicule, if not with contempt. A leading inquiry as to whether the cost of production has been ascertained is usually met by a question as to whether I think business men have been so foolish as to neglect so necessary a preliminary to the safe conduct of business. I expect this, and have become accustomed to it. Nevertheless, I am sceptical, I feel it to be my duty to push the inquiry a little further. It is not a difficult matter to find out the truth. All that is needed is to take some ordinary article made in the particular trade on hand. A list of materials, and of the processes of manufacture for which wages have to be paid, is drawn up. An attempt is made to determine the prices paid for the materials, and the wages paid for each process.

Then the revelation begins. Speaking generally, about one-third of the members of the trade possess some distinct or trustworthy knowledge of the charges which should be set down for each. The other two-thirds know little or nothing about them, and are entirely dependent upon the minority for the necessary information. Persistent inquiry, however, and a comparison of opinion brings about a satisfactory conclusion. Then comes the question of dead charges, or working expenses. This is generally found to be a delicate matter, as no one cares to give in an estimate. Working expenses are always wrapped in mystery. Each member of a trade seems to have an idea

that this item should be a secret, jealously preserved. There seems to be a notion that to disclose these figures would be to hand over to a competitor some useful information gratuitously. Each one is afraid to be the first to speak, and, knowing this, I generally ask that each person present should write down the amount on a slip of paper for the purpose of comparison. The result is, to say the least of it, instructive. It is generally clear that "Nobody knows!" The secret which has been so jealously guarded, is one which had certainly better never have been revealed. The estimates almost invariably range from 5 per cent. to 35 per cent. Now, it must be clear to everybody, that the difference between the highest and the lowest is of itself sufficient to account for profit or loss in a business. If one man can manufacture his goods with only 5 per cent. working expenses, and another man, making the same article, spends 35 per cent. in dead charges, both of them selling at the same price, the one must be losing money, or the other must be making a fortune. But it is not necessary to rush to this conclusion. It is far safer to assume that both are wrong in their calculations, and that there must be some reason for it. This leads to further inquiry as to the items which have been included in the various estimates of these dead charges. The answers are generally bewildering. Views of the most conflicting character are advanced as to what dead charges ought to be. It transpires that some of the most important items have been altogether forgotten, or, when not entirely omitted, have been greatly under-estimated. There usually exists in the minds of some of the manufacturers an optimistic belief that things not specifically set down have been provided for somewhere else. What is most deplorable is, that there is an all-round tendency to try to make the working expenses bring out the selling-price no higher than that of the keenest competitor. To hold your own in selling-prices seems to be everything. The cost of production is quite a secondary consideration, and as for proof of it, that must be necessarily problematical. Manufacturers wait patiently for the balance sheet at the end of the year. It is a pleasant surprise to find it is on the right side, and only a disagreeable

necessity should it come out on the wrong side. Should working expenses be higher than estimated it is a pity, perhaps even a misfortune, which cannot be helped. Selling-prices must still be as low as those of other people. I do not say that manufacturers have the courage to assert this in the language which I have employed; but it is very soon revealed that the practice adopted by them has been suggested by some such train of thought.

A rude awakening to the knowledge of the facts becomes a necessity. This is best effected by placing before each manufacturer a written list of every item which should be included in making up the total of dead charges. When such a list is presented, it is interesting to note the effect it produces. Questions are rained upon me as to whether I am right in insisting on the inclusion of all these items. I am told that interest on capital *must* be a natural profit on trading. I sometimes find that petty cash has been altogether lost sight of. Where principals manage a business personally, any charge for their services is frequently omitted. A manufacturer who is fortunate enough to own his manufacturing premises, neglects to debit his profit with anything in the way of interest on the purchasing price in lieu of rental. Depreciation on machinery and plant is often entirely forgotten, and smaller items are considered as altogether unworthy of notice. Many a time I have extracted the somewhat unwilling confession that selling-prices have been arranged solely from the price-lists of other well-known makers, who, it was assumed, knew what they were about, and must therefore be making large profits. Of course this is not the practice of all new manufacturers. There are some who take out their costs carefully enough, and who know for themselves everything that is needed in order to produce proper cost-sheets. But speaking of the majority in the trades which have enabled me to find out the true position, a belief has been forced upon me that cost-taking is rapidly becoming a lost art. I deplore the fact as much as any one, but I cannot close my eyes to it, and I have had opportunities of judging which have come in the way of few men. I say, without hesitation, that much of the

evil of underselling arises from a want of knowledge on the part of some manufacturers in every trade as to the real cost of production. I therefore consider that the first essential reform to bring about, in any unremunerative trade, is to introduce a system of taking out costs founded on the practical knowledge and experience of the whole of its members. Every individual trader can supply some kind of information, and, from the whole, conclusions can be arrived at which will be both safe and sound. I have been reminded that in making this statement I am disparaging the services of the professional accountants, who are called in to assist in the making up of balance-sheets. I have no intention to do anything of the kind. I think the accountants are ready to acknowledge that they are often prevented from being of real service in this respect. Already many accountants have publicly agreed with me, and have given their testimony as to the value of the system of cost-taking which has been built up as described. Most of them could do all I have been able to accomplish, and there is no doubt that on the questions of interest on capital, dead charges, and depreciation, if accountants could have their own way, their services would be much more valuable. But accountants are not always permitted to have their own way. They have their clients to please, and in private concerns have to carry out their clients' instructions. Besides, accountancy is of little service unless it includes a thorough examination into the whole details of a business. How many small manufacturers will consent to pay a fair charge for such an examination? They supply figures themselves which the auditor has to take for granted and make the best of. Frequently the result is a balance-sheet supplying very little more information as to the true condition of a business than a reference to a banking account would at once give; and even should an accountant be able to show that selling-prices are too low, of what service can the information be? Many a time have I been told piteously that it is useless to discover that an article costs a shilling to produce when it is being sold in the market for tenpence. Determination to make a profit means loss of customers, and so the selling at a loss must go on under

the forlorn hope that it cannot last for ever, and that, after a few people have gone to the wall, matters will improve. It is indeed a forlorn hope. Some few go down, but others come in their places. Some are driven to an arrangement with creditors, and then go on again ; but, whoever may come or go, the underselling goes on for ever. A certain knowledge of his costs of production may make a conscientious man more miserable, but, while he stands alone, it brings him no remedy.

A striking illustration which recently came under my notice is worth mentioning in proof of this. A trade which was in a very bad way invited me to see if anything could be done by means of combination to improve its condition. Yielding to my request that we should first ascertain why they were making no profit, a large committee was formed of manufacturers of every class for the purpose of testing a few costs. At the first meeting a very common article was selected and carefully dissected ; every kind of material was set down at the lowest possible market price of the day. Every process through which the article had to pass was carefully catalogued, and the average wages paid for each process was ascertained. Working expenses, cash discounts, selling commission and carriage charges were all agreed upon. The cost of a gross of articles was then taken out. The total came to £4 17s. 8d., while the selling price of the day was £2 19s. 10d. Every one was astonished, and not a few were sceptical as to the correctness of the figures ; while one member of the trade emphatically declared that on the selling-price there was a good margin of profit. The meeting was adjourned for a week, so that the figures could be tested by each manufacturer on his own works. At the next meeting the opinion was unanimous that nothing less than £5 5s. would show any fair margin of profit. The one maker, however, who felt so certain that the figures were wrong could not attend the meeting, as he had during the week been compelled to call his creditors together, and was holding a meeting with them on that very day. The first question naturally raised was as to the remedy for such an extreme case of selling at a loss. What remedy could there be but the adoption of some movement of combination

which would be able to compel every member of the trade to cease selling without a profit? Until that was done every member must sell at a loss or be content to surrender a large portion of his trade. No one was willing to do this, and so the underselling had to continue pending the formation of a strong association.

But there is one view of this subject which has been forced upon me, and which leads me to the expression of an opinion which I can scarcely expect to go unchallenged. It is that the best system of cost-taking adopted by an individual firm, and built up on a consideration only of its own circumstances, is misleading to the majority of the members of the same trade, and that any system which would be useful and safe for a whole trade to adopt, must of necessity be imperfect as applied to any single business. I have never yet found that either the methods adopted, or the figures arrived at, by one well-conducted house are capable of general adoption by a whole trade. The varying conditions under which business is carried on, the differences in the various outputs, the fluctuations of the turnover in each, the opportunities which unlimited capital gives over capital which is limited or exists only in imagination, the varying rates of wages paid for processes, the different systems adopted for bringing the goods into the markets, and many other circumstances, make it impossible for a whole trade to adopt the conclusions arrived at by any individual maker. A system suitable for general adoption must of necessity ignore something, and perhaps even invent something. It must be based, not upon the experiences and opinions of any one maker, but on the united experiences of all, and the consensus of opinion throughout a whole trade.

There must be compromises in several directions. The great advantage which a large capital gives must be retained as legitimate interest on capital only, instead of being given away for the purpose of flooding the markets with productions at selling-prices, which cannot be charged by less fortunate firms without loss. Materials used in the processes of manufacture have their fair average market value, which most makers have

to pay. The purchasing of large quantities of material at one time, and paid for promptly, will no doubt make the buying-prices lower to the lucky capitalist, but whatever advantage is gained in this way should be regarded as interest on capital, and retained. Such buying is purely speculative. It may or may not pay in the end, and the apparent momentary advantages should not, therefore, be used to lower the selling prices of the manufactured articles made up of materials so purchased.

It is always easier to lower prices than to raise them. Any maker can lower his selling-prices without consulting any one, and he may succeed in bringing a whole trade down to his own level; but, if he wishes to advance selling-prices, he at once finds that there are others to consult. Without an association such consultation is of no avail. The mischief done with but little thought, and with no consideration for others, is not easily undone. It may delight the soul of the enthusiast in economics to know that the greedy manufacturer has been induced, by what is called "healthy competition," to part with his wares to the public at startlingly low prices. He believes in the greatest good for the greater number, and he is deluded into thinking that low prices must be good. It is not part of his teaching that some pity should be felt for the small manufacturer crushed by the capitalist. He has a comforting notion that the "survival of the fittest" is a grand dispensation of Providence. But he begs his conclusions. It is not the fittest who survive. They go down because they wish to be honest, and try their best to be so by asking fair prices for their goods. Capital survives, and tries to create monopoly. It appeals to the public for support by flaming advertisements and sensational price-lists, and the public thinks that this is the result of unrestricted competition by which all must benefit. All the while capital is trying to drive fair competition out of the market altogether. It first tempts the public and solicits its help to crush other makers, and, when it has succeeded, if it does succeed, it laughs at the public, and proceeds to charge much more than its wares are worth, knowing that its victims

have no remedy, but must pay its price. This is called free and unrestricted trading. It is the greatest tyranny that trading can produce. Capital, which should bear the greatest burdens, is free, and the tyranny exercised by capital is unrestricted. If this is freedom, the price we pay for it is much too high. The liberty to ruin honest competitors in business is a blot on the traditions and laws of a free country. I have watched the operation of this principle many times. I am glad to say that it does not often absolutely succeed; but, whenever it does, it is the public who suffer, while the monopolist laughs in his sleeve, and talks loudly about the beneficial operation of economic law. But it is not always that even the capitalist is actuated by a desire to crush other people when he sells below cost. The working expenses of a large concern are often larger than those of a small one. The output must therefore be kept at high-water mark, even if that involves selling some articles at a loss, and, in the excitement of the race for supremacy, the real cost of production is often lost sight of.

It is from an observation of these facts that I have been led to believe that the very foundation of any movement intended to remedy the evils I have described must be one of education amongst manufacturers upon the all-important point of properly taking out their costs. There is no presumption in inquiring whether this knowledge does really exist in a trade. There can be no apology needed for introducing the system of cost-taking wherever it is found that no system already exists. I am afraid that the endeavours to form trade associations in the past, although full of good intentions, have always missed the mark in this particular. It is easy enough to work up enthusiasm amongst traders who are losing money, by showing them the immense advantages of acting altogether. Everybody is convinced of this before you begin. You have only to show them how they can act together and introduce a system by which they *must* act together, to convince them of the efficiency of your plan. But while you are doing this, you may be appealing to cupidity alone, not to true business instinct.

The business morality I aim at is, not to extract from the purchaser all you are able to get, but all you ought to get. The exact amount may be, and is, a matter of opinion; but it must not be the opinion of a single individual, but that formed by the common sense of a community. The public have nothing to fear from this. They have everything to fear when they are at the mercy of one or two individuals who are guided by selfish instincts only. My readers will be able to see from the foregoing remarks why I consider it essential to the success of a trade association that it should be founded on a knowledge, carefully obtained, of the real cost of production. It is part of my scheme to establish in every trade a system of cost-taking which, while it may not be all that could be desired when tested by the special circumstances of any individual business, is still all that is needed for the purpose of fixing throughout an entire trade a selling-price for each manufactured article which will bring a legitimate and reasonable profit to each maker without unduly taxing the purchaser. It can, as I have said, only be arrived at after discussion between all the makers, large and small, those with much capital and those with but little. It must fix the prices of materials, to be set down in costs from time to time, at their real market value. If some makers are able to buy more cheaply than other makers through special circumstances, it must insist upon their keeping the difference. Schedules of wages must be prepared, to be put down in the cost-sheets as the minimum charges for the processes of manufacture through which the articles have to pass. These wages need not be either the highest or the lowest paid in the trade. Whatever they are they must be used for the purposes of cost-taking only. They need not in any way affect the wages actually paid on the separate works. The question of wages to be paid I will deal with later on. Working expenses must be assessed only after mutual conference, and cannot be dependent upon the amount of the turnover in any given year. It is quite possible to find out the percentage at which they ought to be fixed, but only through interchange of opinion by all makers. They should be fixed only after it has been decided

which items of expenditure they are supposed to cover, a list of which should be supplied to each manufacturer.

I think I have said sufficient to show why I feel bound to insist that, before any other steps are taken, the real cost of production must be ascertained.

I will now suppose that this has been done in some trade which is determined to adopt the combination principles. The process may have taken a long time. It is seldom done in less than one year, and sometimes takes two, but, being completed, it is easy to make out price-lists every item of which will produce a margin of profit. But here it is necessary to mention that it by no means follows that these price-lists are identical. There are very few manufacturing trades, indeed, which need identical price-lists. The principle upon which the cost-sheets are made up gives sufficient scope to each manufacturer to follow his own inclination in the compilation of his selling-prices. Should he care to make common articles only, light in weight, rough in finish, badly packed, he is at liberty to do so. He has only to set down the actual quantity of material used, the actual processes through which each article passes, the actual expense incurred in preparation for the market. Cheap articles must be manufactured—the public demands them, and when produced they must be sold at their true value. This gives every small maker, or the maker of common goods, either large or small, a fair chance. All that is demanded of him is that to the cost of production—taken out on association lines—there has been added the proper portion of profit. The maker of better articles, costing more to produce, must charge higher prices. Is not this fair, and just, and reasonable?

But up to this point nothing has been done in the way of creating machinery for the compulsory carrying out of this determination. Without such machinery nothing has been accomplished beyond removing some ignorance or misconception from the minds of the members of the trade. Before new price-lists can be issued it is necessary to ensure that those who issue them shall insist upon receiving no less. Also, it will be borne in mind that nothing has yet been done to improve the condition

of the work-people, or to bring about a better understanding between employers and employed.

This is the next step to be taken. Of course there at once arises a new difficulty. I am told that I have been asked to improve the condition of employers, and they do not see how this is to be done by raising the wages of the work-people. Moreover, there are always some employers who do not see the necessity for bringing the work-people into the question at all. All the old prejudice against trade unionism is brought to the front. I can do nothing but acknowledge that trade unionism has its bad side—the abuses of the system. But the very fact that the employers are extending the principle by adopting it themselves stands for something. Of course I can plead justice, and can easily prove that workmen have suffered as much from undue competition, for which they are not to blame, as their employers. I am compelled to go further than this, and show that without the assistance of the work-people the employers cannot hold together. Moreover, I am compelled to make it a *sine qua non*, and refuse to go on with the combination unless the workmen are included in the arrangements. This leads up to the following:—

(1) The formation of an association amongst the work-people if none is in existence.

(2) The signing of a compact between the two associations to support the principle of trade unionism on both sides. Employers engage to employ none but union workmen, and workmen engage to work for none but union or association employers.

(3) The recognition of wages, and the hours and conditions of labour, existing at the time of the signing of the alliance, with an agreement that, so long as the alliance is in force, none of these things shall be altered, or at least made worse for the work-people.

(4) The payment of a separate bonus upon such wages, such bonus to be paid on the first pay-day after the issue of the new price-list. The first bonus is not to be interfered with during the existence of the compact, but any further bonus paid in

consequence of an increase of profits is to be subject to a sliding scale. Should profits, from any reason, be decreased, the bonus shall also be decreased in the proportion agreed upon ; should they be increased, the bonus shall be increased also. The proportion of bonus is fixed upon the proportion which the wages bear in the selling-prices of the article. In an article made of clay this proportion will be high, so that the bonus must be small : in an article made of expensive material the proportion of wages will be probably low, so that the bonus can be larger. This is one of the incidences of manufacturing which must be recognized.

(5) The establishment of a wages and conciliation board, formed of an equal number of employers and employed, the secretaries of both associations acting conjointly, the chairman being an employer or a representative, the vice-chairman an employee. All questions as to rise or fall in profits, or the fixing of new prices, to be first submitted to this board, and all disputes between employers and employed to be referred to and settled by it. An arbitrator to be called in in case of a dead lock, whose decision must be accepted on both sides.

(6) Employers to have full control over the management of their works : that is, as to transferring a workman from one department to another, or making any change which does not either lower wages, or harden the conditions of labour, or increase the number of hours ; also, in all cases of insobriety, irregularity, incompetency, etc. All questions, however, of wages, and the hours and conditions of labour to be referred to the board for settlement, if found necessary. No workman to leave his employment or to be discharged over any of these questions. In cases of dispute the workman to accept the employer's terms under protest until the question has been settled by the board. All decisions given, to be retrospective, so that no one can suffer by any delay.

(7) Although the board has no power to alter any of the wages or conditions obtaining at the time of the signing of the alliance, either side to have the right to bring before the board any exceptional circumstance for friendly discussion and advice.

(8) All expenses incurred in consequence of any decision of the board to be defrayed by equal contributions from either side.

It will be seen that, after this alliance is completed, the only possibility of a strike or lock-out must happen from some decision of the board upon which both sides are agreed. In such a case both sides would work together. As, for instance, the breaking away of any of the members of either association, or their expulsion from membership on account of violation of rules to which they have agreed. The late engineering strike could not have happened had the trade been regulated by these conditions.

The next step is to provide a fund sufficient for fighting, and all other special association purposes. Of course, the ordinary expenses of the association are met by periodical levies made on a return of the work-people employed on each works. The larger the number of work-people employed, the higher is this capitation tax. Thus, a levy may be made at the rate of 1s. per head on twenty employees; from twenty to fifty, 1s. 6d. per head; from fifty to a hundred, 2s. 6d. per head, and so on. This is arranged on the supposition that, the larger the interest in the trade, the greater the benefits to be derived from combination.

The guarantee fund is a special matter, quite distinct from management expenses, although made up on the same ratio. It is necessary that the association should be able to employ, at any moment, a large sum of money. To avoid the necessity, however, of taking this money away from the respective businesses, it is not asked that the cash shall be paid. Each member becomes responsible for the payment of some proportionate amount which is set against his name, only 15 per cent. of which he must pay at once. The deed is kept until it is required, or executed at once, as may be agreed. A bank will advance the money, less about 15 per cent., to cover possible loss on a guarantee which is not a joint and several document. Should any of the money be used, the amount is included in the next levy, so that the fund may always be intact. It is invested in the names of two trustees, who receive an indemnity for its

use for association purposes. There is an advantage in executing this deed at once, and depositing the cash obtained as a separate account. It will be at once seen that, in the event of any member breaking away from the association, he must leave behind him his guarantee for the payment of a sum of money which may be used for the purpose of fighting a defaulter—the very purpose for which he gave his guarantee.

The next step is to establish a department for investigation of complaints and suspicions as to breaches of faith. The experience of years has shown how this can best be done. It may be taken for granted that 98 per cent. of these complaints and suspicions are groundless, but each must be carefully investigated. The tales of customers, the gullibility of agents and travellers, and the suspicious nature of competitors have all to be reckoned with in this work. I have the control of many such departments, and my returns clearly show that no report can be believed until the necessary evidence has been produced. It is the duty of the department to obtain such evidence, if it exists. For this purpose the guarantee fund may be used. Any ordinary charge of underselling may be easily proved or disproved. Underhand practices are more difficult; but, in these cases, it is purely a question of the length of the purse. As the dishonest member is fighting with his own purse against the resources of the whole association, the chances are greatly against him. When a charge is substantiated, a fine is imposed in proportion to the size and nature of the offence. The name of the complainant is never mentioned, so that no friction between members can arise; and the name of the delinquent is concealed until the case is concluded and the penalty fixed, so that no personal feeling can influence the decision. I could fill pages with illustrations showing how difficult it is to evade detection of any illicit practice. My experience of this work is, that after a while every member discovers that it pays better to be honest than to attempt to evade the rule. Of course, the inquiries extend not only to selling-prices, but also to cash discounts, terms, and charges for carriage, every item of which is regulated by the rules of the association.

The carriage question is not an easy one to settle. My plan is to issue a carriage rate-book. In this the name of every town in the United Kingdom is given, and a colour added to each. Each colour means a rate which every member must charge. Thus each member is on an equality with the rest in respect to carriage charges in every town.

The middlemen—merchants and factors—are provided for (often by arrangement with themselves), by a special allowance being given to them, which is sufficient to enable them to sell at the same prices and terms as manufacturers. To this they are bound by agreement before being placed on printed schedules, showing who are entitled to the privileges.

The large buyers, who sell retail, are also provided for. They have the right of buying from each and every member, if they care to do so. At the end of each half-year they can send in to the secretary a return of their total purchases, with a claim to a rebate in proportion to the trade done with the association. The money is collected by the secretary from the members concerned, and sent direct to the customer.

Everything that I have mentioned so far is indispensable to the formation of a combination, but its resources are by no means exhausted when all these arrangements are carried out. I have so far been content to leave it to the judgment and experience of the members as to the adoption of other safeguards. Some associations adopt everything at the time of formation, and these are the strongest combinations in the country. Some are content to go on with the principles and methods already described. They may, or may not, be quite safe, according to circumstances, but they can easily make themselves so at any time. The two principal safeguards, which are still open to them, are—1st, an arrangement with the persons who supply material to the trade; and 2nd, an agreement with every customer to whom they supply their goods. Both have been successfully adopted in some trades, but there is a strong feeling against the latter in other trades. Time will prove whether they are needed, but, as to their possibility, there is no question.

I have but little to add in conclusion. The scheme was not conceived in a hurry. I have had an experience which must have been useful to me. I have served an apprenticeship to my trade. I have worked as a journeyman workman. I have been foreman, manager, and traveller in turn. I have been an employer and manufacturer for fifteen years. I have, at least, had an opportunity for studying the question from every point of view. I have suffered as a workman from the injustice which I am now anxious to prevent. I have experienced the difficulties which come to a manufacturer from trade unionism when not recognized, guided, and taken into confidence. I have felt the strain which is caused by ruinous and suicidal underselling by unthinking or unprincipled competitors. My proposed remedy was devised in the interests of all concerned. It may be termed coercive; and it is coercive in the sense that it aims at compelling every one to do that which is right. It may be called utopian, but this is easily answered by pointing to results. Five hundred manufacturers and twenty thousand work-people can to-day deny this from their own practical experience of benefits gained. It may be described as a "one-man system;" but this is disproved from the fact that two combinations have been founded with no more help from me than an expression of good will. It may be said that the scheme is still on trial. I agree to this, but can point to a test of seven years in my own trade. I have had more opportunities for testing its value than any other man, and I believe, with all my heart, in its justice, its practicability, and its durability. I am anxious to expose it to criticism; and chief amongst the questions I want answered is, How can such an association fail to do all that is necessary? And how can such an association ever break down?

E. J. SMITH.

OUR FOREIGN TRADE-RIVALS.

THE awakening of public interest in the somewhat over-discussed subject of foreign competition must be, in great part, attributed to the startling presentation of the matter in a little book bearing the title *Made in Germany*. But hardly anything is more easy than the misuse of statistics, and readers of such studies in statistics as the one referred to are more helpless by far than the readers of ordinary argumentative works, inasmuch as they are practically obliged to accept the figures put before them as, not only accurate, but truly representative.

It is, however, not merely from one source, but from many, that complaints are forthcoming as to the losses which British trade is suffering in various parts of the world, not least among the wails being that of the invasion of the home market by the insidious foreigner. Many of these complaints are accompanied by pleas for the exclusion of foreign goods from our home markets, or for their exclusion, partial or complete, from the markets of the British Empire. It is vain to assure the proposers of these plans of "fair trade" (as it is euphemistically termed), or of an "imperial zollverein," that, great as may be the evidence of loss or of too slow progress in special directions, there is a great mass of trade in which sufficient progress is being made to nearly or quite counterbalance the losses they are able to point out. Where are the gains—in what trades? If they cannot be singled out and proved, by the summation of the particular items, to amount to what has just been stated, no credence can be given to the general statement that they must surely exist. Such is their objection.

Far be it from me to allege that everything that is British,

from open fires and smoky chimneys to our cumbrous system of weights and measures, and our neglect to acquire a facility in speaking the languages of neighbouring nations, is admirable because British, and because Great Britain alone among the great nations of the earth is convinced of the advantages afforded by a system of free trade with all the world. Our country has benefited more than can be reckoned up from her policy of freedom to trade, but that does not carry as a consequence the conclusion that with this great blessing have followed all other and minor advantages. Rather may it be asked, if, in spite of all that is alleged against us as a people—our obstinate adherence to accustomed methods, our neglect of the changes of taste of our customers and of the differences between their circumstances, tastes, and means and our own, our backwardness in all things educational, and our failure to evolve a systematic plan of removing this disability and disgrace, these and the thousand and one other features in which our nation differs from those of the European continent, or from our cousins of the Great Republic—if, in spite of all these, we continue to occupy a leading place in the trade of the world, to what must we attribute it? We may refer to our insular position, so admirably suited to command the world's great highway, the ocean; our stores of mineral wealth—coal and iron; our early emergence from former industrial conditions; our sturdy national character, and the inherited skill of our workpeople; our political freedom, and immunity from the evils of conscription, and from devastation by invading armies;—all these have, doubtless, their influence, with many other causes: but, putting all together, and seasoning the mixture with a due remembrance of the national failings which have been so frankly and frequently pointed out to us of late years, should one not rather look for a cause which has counterbalanced, to an extent greater than all these can do together, the failings which are associated with our national virtues? May we not say that free trade, and free trade alone could avail to save us from falling behind in the race for empire and commerce?—that, but for the wholesome, if painful, stimulus of acute rivalry from abroad, our industries were

likely to dwindle and die, that our reluctance to abandon worn-out customs would have resulted in our being abandoned by our customers? If we grant the half of what is alleged about weakness (from the trade point of view) in our characters, we must admit our obligations to the wisdom of legislators who removed hindrances to the administration of the needed tonic of competition.

I have said that this influence alone could avail to save us from falling behind. It is said deliberately, and is meant to imply what it clearly does suggest—that we have not fallen behind in the race. If that be considered too strong a statement, permit me to modify it so far as to say that the evidence that we have fallen behind is extremely inconclusive. There is no such thing as a *débâcle*; we have not yet to write “Ichabod!” over the doors of our tents.

Such a definite statement, in utter defiance of all the current accounts, requires proof, and ample proof. This proof I do not propose to give in tables of figures, but by the translation of such tables into diagrammatic form, so that the difficulty of grasping the whole may be, partly at any rate, removed. In offering evidence, the difficulty is not the small amount of such evidence, but the best way of presenting the really salient features in brief compass. I may be permitted, I hope, to select from among foreign nations, those whose competition has provoked the greatest volume of complaint. I have not entirely confined my inquiries to these, but, in certain most characteristic features, I shall refer chiefly to comparisons of the trade of the United Kingdom with that of Germany, Belgium, France, and the United States of America. The reason for not including the trade of Holland is a simple one. The published figures do not convey any close idea of the amount of trade really taking its origin in Holland. In spite of the returns professing to state the exports of domestic produce, it is clear that they include a good deal that cannot fall under that head, and a good deal that is not even colonial produce, which is admittedly included. I cannot convince myself that if, in considering the continental group, Holland were included, much trade would not

be reckoned twice over. When we come to consider something besides the totals, we cannot afford to neglect Holland, but the continuous increase in Dutch exports, contrasting so strongly as it does with events in every other country of importance, appears suspicious at the least, and suggests the inclusion of an undoubtedly increasing transit trade.

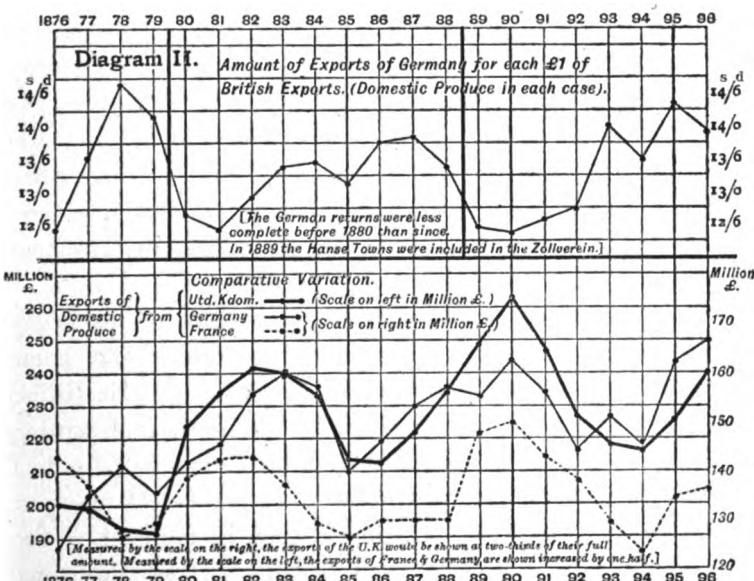
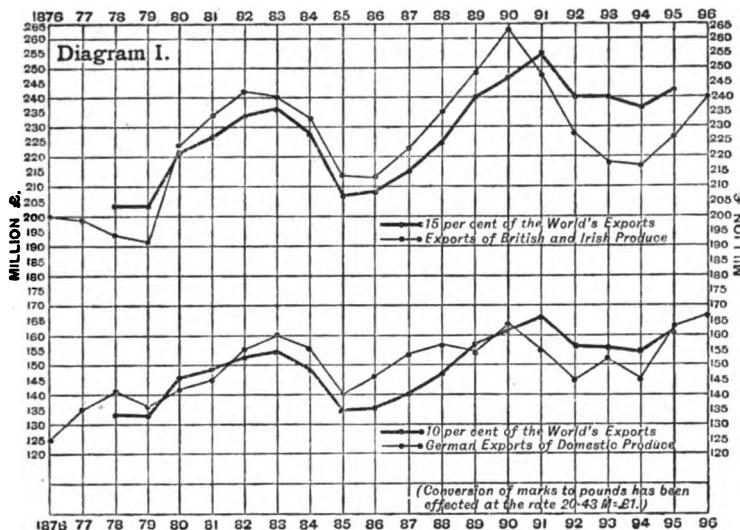
Before proceeding farther, one remark at least must be added on a point previously touched upon. I am not asserting that there does not exist the severest competition with British trade in every part of the globe; I am not even asserting that some of our markets have not been lost to us through such competition;—what I am asserting is that, on the whole, during the last twenty years, our competitors have not succeeded in advancing faster than ourselves, unless, perhaps, in the last few years—at the most since 1890. I think I can go even further than that. Again, in the case of the United States, the values of exports have increased more rapidly than our own, and than those of our European rivals. In this case such an admission hardly weakens my general proposition, if we bear in mind that over 70 per cent. of the export trade of the States consists, as a rule, of raw materials, and that meat, and wheat, and cotton can hardly be regarded as competing with British exports. Further, if our own export trade should be found to form a less proportion to that of the world than formerly, the reflection that much of the increased movement of commodities in international trade is due to the need of growing manufacturing populations for increased supplies of food and raw materials, no longer supplied in sufficient abundance from the products of the rural districts of their own countries, or impossible of production there, may deprive that reflection of its sting.

And now to the facts. First I would direct your attention to a comparison of exports of British and Irish produce with the estimate of the exports of the world framed by Dr. von Juraschek.¹ Here I go back no further than 1878, because, before that year, the estimate is not given continuously, and does not

¹ *Übersichten der Weltwirtschaft*, lieferung 16.

profess to embrace more than some four-fifths of the whole. In proportion as there are included, in the later years, more completely exhaustive records, will the increase of the world's trade appear greater than the reality, so that, as our own country's returns have been complete from the beginning of this period, the comparison is certainly not arranged so as to unduly favour our country. Then again, there are some states which are so much behindhand in the publication of their trade-returns, that the later years have recorded against them the amounts properly belonging to the year before ; for example, 1893, 1894, and 1895, may all be credited with the 1893 figures in default of more recent returns. Bearing in mind that the course of trade for some years before 1895 was towards restriction, it will be clear that the total for 1894 (and perhaps 1895) slightly exaggerates, in all probability, the actual amounts. This, again, makes the appearance less favourable to Britain than the reality. I am unfortunate in not being able to include a later estimate for the world's exports than that for 1895. Still, we are permitted to see the course of events over eighteen years, and to compare progress during that time. It may not be out of place to remark here that, by beginning with 1878, we include part of the period of most rapid development of manufacturing energy among our Continental neighbours. Before that, the advance of Germany in particular had been remarkably rapid, as is natural under the circumstances. I confine myself to a time when statistics are more reliable, and have the excuse that it is precisely during the last twenty years that the alleged displacement of British industry is supposed to have occurred.

Look at Diagram I. It shows no evidence of markedly less rapid advance of our exports (thin line) of our home produce than the general advance of the world's trade (thick line). The better to make this clear, the scales for representing the two series of figures have been selected so as to permit of direct and easy comparison of the two movements. I may put this in either of two ways. The one is that 15 per cent. of the world's exports are compared with British exports ; the other is that the scales are such that, where three millions of variation



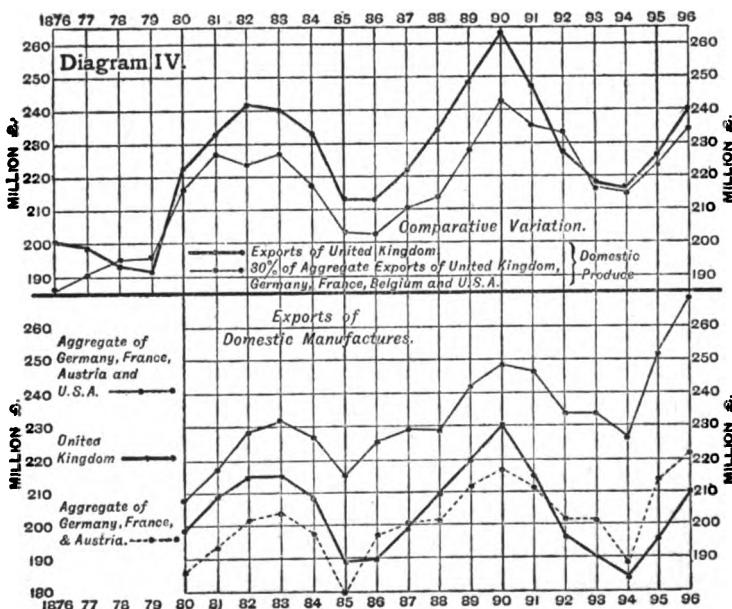
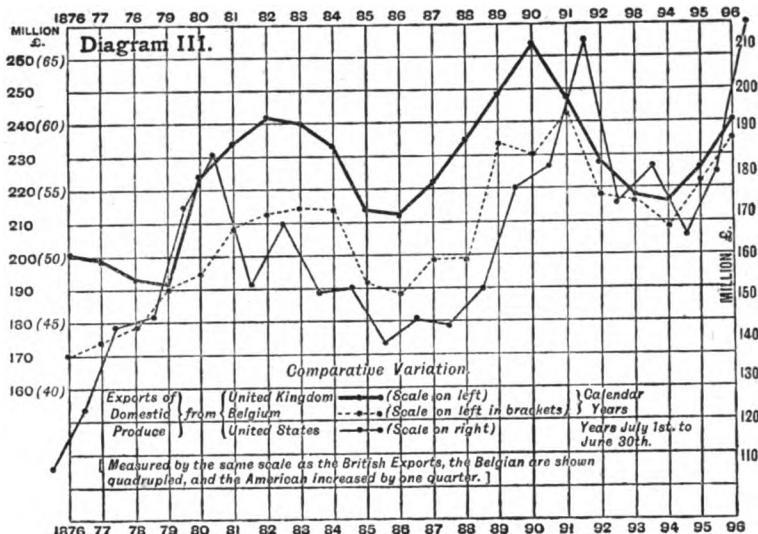
is shown in British exports, twenty millions is indicated by the same space for the world's exports. It should be noted that the figures of British exports do not include ships built for, or sold to, foreigners.

Bearing in mind all that I have said, this diagram alone, were we able to rely absolutely on the figures of the exports of the world utilized in it, would establish the point that, except possibly since 1890 or 1891, our export trade has maintained itself in fair proportion to that of the world at large. The absence of the former enormous strides, such as characterized the trade of this and other countries from about 1846 till about 1873, while it may be a proof that difficulties have to be faced to maintain our place, is no proof of actual retrogression. The influence of falling prices, in terms of gold currencies, has masked the real growth in bulk of foreign trade, while it has produced the feeling of want of success, and has reduced profits so as to cause the severity of competition to be keenly realized. The corresponding comparison with German exports of domestic produce is given on the same diagram. The German exports are compared with one-tenth of the world's exports, or, to put it otherwise, the German trade is given in shillings and the world's exports in half-sovereigns, so that the proportionate variations may be fairly compared and contrasted. Here, again, it would seem that it is only in the very last years that Germany has appeared to advance more rapidly than other countries. This is capable of being attributed to her recent commercial treaties, but it does not follow that the relative gain will be permanent. It has to be remembered that, in most cases, special terms granted to German goods are extended to British goods by most-favoured-nation clauses of our treaties of commerce. Germany is first in the field to reap the advantage of lower tariffs, but these advantages are not of necessity permanently confined to her.

In regard to the German figures, too, there are two points to be remembered. The first is, that from 1880 onwards the returns have been much more complete than in previous years; the second, that in 1889 certain places formerly not in the

Zollverein were included, so that in 1889 and subsequent years trade classed as foreign is not quite comparable with what was so included earlier. The former change is estimated to have increased the figures of exports, so that the apparent growth is greater than the real. The latter change, while throwing out many comparisons, and utterly deranging the import statistics and the returns of the destinations of exports and origin of imports, does not appear to have produced much effect on the gross figures of exports. If we may take it as probable that the areas newly included had been concerned not merely in passing on German goods to foreign countries, as was largely the case, but in producing for export, there would be a further allowance of the same kind to make after 1889 as after 1880. If, on the other hand, they imported for their own consumption from the rest of Germany more than they exported to foreign countries of their own manufacture or produce, the real growth will be greater than the apparent. As the areas in question were the Hanse Towns—now, with the exception of the Free Ports at Hamburg, etc. (with some seven thousand inhabitants, and an area of less than sixteen square kilometers), included in the Zollverein—it seems not improbable that the figures of special exports of the Zollverein have been increased by the extension of its area.

As the competition of Germany is that which has been most feared, we may delay somewhat longer yet to obtain as accurate an idea as possible of the extent to which German trade in the bulk has flourished at our expense. Diagram II. deals with this point, so far as it can be elucidated by comparing the rates of growth of the two trades. Roughly speaking, German exports of domestic produce have been about two-thirds in value of our own exports of home products. The upper part of the diagram shows how the proportion has varied, and demonstrates that, in proportion, German exports were less in 1890 than for fifteen years preceding that date. The variations of quantity are shown below, where the scale of measurement for German produce represents £100 of value in the same space as stands for £150 of value in British exports. Any distinct outstripping



of us in the race is, clearly, of quite recent date, and this evidence is strengthened by the considerations noted above. French exports, on the same scale as the German, are shown by the dotted line on this diagram. They are even less progressive than our own.

The cases of Belgium and the United States of America are compared with one another, and with our own case, in the next diagram (III.). The Belgian exports make considerable advance, but remain a bare quarter of ours in amount. The American exports are the most irregular of all, and the ebb and flow are not coincident in period with the European fall and rise. In this case, the years are not calendar years, but run from July to June, and the figures of the latest year show again an enormous rise from those which precede it. Here, certainly, there is reason for disquietude. The case of Belgium would be more disturbing if the country were larger, for the progress it shows is truly exceptional, but the American Republic possesses a region whose natural resources are so varied and so rich that her seventy millions of people may well prove far more formidable rivals than the Germans. Regard them from what point of view one may, one is compelled to admit that it is not easy to view without disquietude the strides they are making in the development of industry. In the case of Germany we have had, and are likely to have, a struggle to hold our own, but the retrospect over the recent history of the struggle indicates that we are able to hold our own. Whether the same will be found to be true, half a dozen years hence, in the rivalry with the race which has sprung from the same stock and speaks the same (or nearly the same) language as ourselves, is a point in regard to which it is necessary to hesitate before expressing an opinion, and such opinion must rest on less certain indications than in the case of Germany; if favourable, national pride, rather than the logic of facts, may be the real basis for such a view.

On the next diagram (IV.), the comparative progress of the group of nations—the United Kingdom, Germany, Belgium, France, and the United States of America—is shown in

relation to our own. The influence of the American figures is clearly shown in modifying the combination. The general effect of the comparison is very similar to that first made with Dr. von Juraschek's figures of the world's exports.

When we turn to exports of manufactured goods, we touch more closely the source of real complaint, but, even here, a general view of the actual course of events does not greatly modify the conclusion already suggested. In the lower part of Diagram IV. we have some of the facts marshalled. As in the general case, the fluctuations of British exports are seen to be more violent than those of the countries with which comparison is made, but no distinct tendency to a lower level is manifested. The exports of manufactures from the countries with which comparison is made, do, however, distinctly tend to a higher level, especially in the case of the United States, and there especially in the last few years. The upper line shows the total of exports classed as manufactures from the United States, Germany, France, and Austria. If Holland were included, the upward tendency would be *less* marked. The returns for Belgium are not, unfortunately, available in the form required. The two lower lines show the exports of manufactures from the United Kingdom as given in Sir Courtenay Boyle's memorandum of January last, and the total of the European countries in the above group. The figures for Germany are about the halves of this last set of totals, but show somewhat more marked advance.

Of our total trade, nearly one-half (a trifle under 47 per cent., to be precise) is carried on with the countries in the following group, viz. United States, Germany, Holland, Belgium, and France. In imports a slowly growing proportion comes from this group, and together they contribute rather over one-half of the total. In this, however, the United States figure for between 23 and 24 per cent., the other four countries furnishing the balance which makes up the 50 or 51 per cent. In exports barely two-fifths go to this group, and, if we consider our domestic produce alone, barely one-third. Omitting America, the other countries named take about

one-quarter of our total exports, barely 22 per cent. of our domestic exports. Our exports to all other countries, besides the five in the above group, are about equal in magnitude to Germany's total exports.

The object of the preceding statistics is not to prove that British trade is prospering, or that our rivals are insignificant or of decreasing importance. It is not here contended that Germany, America, or Belgium did not make progress at a greater rate than the United Kingdom in foreign trade during the five or ten years preceding the date at which the diagrams begin. The contention is merely that, during the last fifteen to twenty years, the United Kingdom has not, on the whole, lost in the total of her trade, and that the countries which are alleged to have driven her out of the field have hardly advanced faster than Great Britain, taking them in the mass, and especially that German trade has not so advanced out of all proportion to British. The less favourable indications of the last few years, seen in the light of the past, may or may not be an indication of a permanent falling behind on our part. It is sought to meet the contention that Germany in particular has made enormous strides during the last fifteen years at our expense. The optimism of this view is not of a very violent kind. It merely amounts to doubting the justice of pessimism.

After the preceding examination of certain views of the facts of trade, we may proceed, with a reduced risk of erroneous diagnosis, to consider the nature of the evils complained of under the head of foreign competition. It should now be clear that whatever loss of trade our country has suffered has not been quietly endured, but that strenuous efforts have been made to replace the lost trade by something else, and with a large measure of success. New markets have been secured for commodities no longer capable of disposal in the old channels, and new lines of business have been opened out. In spite of the formidable array of losses of trade which has scared some people nearly out of their senses, the aggregate trade has been maintained. Moreover, in spite of Germany's extensive and

peculiar gains in various quarters, she has hardly surpassed us in rate of growth, with a much smaller trade, larger population, and with large populations forming an excellent market for her produce in close proximity to her on every side. It may be worth remarking that fully three-quarters of German exports are to European countries; while only about half that proportion of our goods are sent to other parts of Europe.¹ We might, perhaps, be bold enough to conclude that if the actual gains of German trade be so great as the alarmists assert, there must be a good deal of loss not placed on record otherwise than in the general totals.

It would appear, therefore, as if we have to complain of a severe struggle to maintain our place in old markets, of the necessity of exploiting new ones, of the necessity of seeking new commodities to export in place of those the market for which is being narrowed, and, over and above all, of falling prices. What are we to say of these sources of trouble?

One thing may be said at once, and that is, that we cannot expect that the custom of dealing with English merchants will be strong enough to override local advantages for various lines of production in other countries. We are no longer in the position of the one shopkeeper in a village. The village develops, and both new and old inhabitants appreciate the convenience of having several shopkeepers competing for their custom. The world grows, and nations formerly dependent on us for many things can now supply themselves, and even supply others as well. It is well for the world that its people should feel and use their powers; but it puts us in the position of

¹ In the years 1891-95, with average total exports (special) rather under 152 millions sterling, Germany sent an annual average value of nearly 117 millions to other parts of Europe. The United Kingdom exported 85½ millions to Europe out of a total of exports (British and Irish) 227 millions on the average of the same years.

In the case of Germany, the inclusion of the Hanse Towns in the Zollverein deranges a comparison with an earlier period. Comparing with our own exports during the quinquennium 1883-87 (similarly placed in reference to ebb and flow of trade), very nearly the whole growth of 2½ millions in exports belonged to the European trade—an encouraging feature in view of the keenness of competition of Continental rivals on the Continent itself.

being compelled to exert ourselves in order to retain the custom of those who have been in the habit of dealing with us. Instead of being surprised and almost angry at the discovery that local facilities in Germany or India or China are being utilized, should we not rather recognize it as inevitable, sooner or later ? If it be inevitable, we shall better suit ourselves to the condition which will be developed as a result of these changes if we *in time* prepare ourselves for the new lines of industry to which we must resort if we, as a nation, are to prosper. Can we, in fact, even wish that the whole world should delay its evolution for the local and temporary benefit of our islands and our forty millions of people ? Would such a course really tend to the ultimate benefit of our nation ? We boast of our freedom as a people ; but to what purpose have we freedom if it lead us to desire that all the world should be in bondage, industrially, to us ? There are two ways in which we may use freedom. If it be a freedom to dispose of others as well as ourselves, we may employ it to modify our surroundings so as to adapt them to our peculiar strength or our peculiar weaknesses. But there is another way to employ liberty, especially if the liberty is one which affects ourselves and not a liberty to dispose of others. We may see to it that we adapt ourselves to our surroundings, so that we be not crushed by them, but rather turn them to our advantage by modifying the operation of those characteristics of our nature or habits which would involve us in unprofitable conflict with those things outside ourselves over which we have no power of control.

The advice is often given to imitate the methods of our successful rivals. In so far as they are reputable and involve no degradation of those who adopt them, the advice is obviously good. Whatever may be the case with particular firms, there does appear to be reason for the almost universal complaint of lack of adaptability on the part of the British manufacturer, or, on the part of the merchant, of keenness to discover whether a given article is the best adapted for securing and holding a particular market.

It is not true that what is *best*, as that word is interpreted
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by the manager of an English manufacturing enterprise, is best from the point of view of the people for whose use he prepares his goods. Their tastes and needs may differ from those with which he is familiar, and, moreover, their means are often too narrow to permit them to indulge themselves with the best article when a lower-priced one is to be had, even though in the end the latter be the more expensive, owing to the need for replacing it more quickly. If alertness pays other nations, it may pay ours; and if, in other countries, it pays better to produce new patterns and to replace machinery before it wears out—if these things are more economical to others than retaining the old patterns and using the old machinery—why not to us?

The evidence of the past may suffice to prove that neither energy, nor adaptability, nor resource have been wanting to those who have guided our trade. Surely the strain of so long a struggle cannot have finally broken these our leaders, discouraged by lack of the appearance of success! In speaking of these things, the repetition of what has been so often said becomes wearisome. Yet there can be no doubt that what is sorely needed is trained intelligence. Labour we have in abundance; capital is available wherever reasonable prospect of success is shown; the third and most essential element cannot be too freely supplied, and towards securing a continuous and abundant supply of directing intelligence, so that capital and labour may jointly be employed for the profit of the community, we, as a nation, must do all that is possible. Let us bear in mind the conclusion of the small committee which, not long since, visited Germany to examine her organization of technical instruction. It amounted to this,—that where that country excels England, is in provision for training the future managers and leaders of industrial and commercial enterprises. Is it impertinent to inquire if the sons of our wealthy merchants and manufacturers are apportioning their time and energy fairly between the amusements of the present and preparation for the future? In how many cases would a strict regard for fact compel wealthy fathers to judge of their sons as the late Mr. Pullman did of his, when he

concluded that they could not be entrusted with the task of administering his great wealth ?

But not the wealthy alone are to blame. Sir John Gorst, the other day, pointed out pertinently that hardly half the children are kept at school at all after reaching thirteen, hardly a quarter after fourteen, and far too many of them leave earlier. Even while they are attending school, the labour of the teachers is rendered largely ineffective by the irregularity, which amounts, on the average, to a day's absence from school every week by every child. Is it not a familiar fact that when lads are required to learn something more after reaching (say) sixteen years of age, or when they feel their own need of further instruction, the difficulties imposed by the ignorance arising from imperfect and fitful and too-early-renounced attendance at school as children are hardly to be overcome ? As the vice-president of the committee of council urged, the existing apparatus for education is capable of being made far more effective without becoming more costly, if the parents of the children attending our schools will but co-operate heartily. But they are, too often, indifferent or antagonistic. The reception which the Trades Congress' resolution to raise the age of child labour to fifteen met with among the weavers is a disgrace to our civilization. Nearly 80,000 against and but 3429 in favour ! Does not such a vote express disbelief in the desirability of any raising of the age ? Even admitting that the proposed step was too great for a single effort, what can be said of a body of skilled workers whose solicitude for the future of their children is shown thus ? They cry out against long hours and low wages of continental or oriental labourers as an unfair competition with themselves, and yet do not scruple to penalize their children in their future struggle by making use of their underpaid labour to meet this same competition. With all the sympathy it is possible to feel for the families whose maintenance depends upon earnings from the children, it is necessary to insist that this state of things is not by any means universal, and, if it were, might not the question be asked, "By what right have parents conferred existence on their children if they

cannot possibly offer those children a reasonable preparation for the struggle?" If ever such a thought strikes the average working-class parent, it comes too late to be effective. The mouths to be fed, the bodies to be clothed, the shelter demanded, all are immediate necessities before the conviction is reached that, to maintain the very existence of the family, it is hardly possible to avoid the industrial degradation of the elder members of it. Oh for a more vivid realization of the future in the minds of the masses, that its obligations and demands may be allowed due weight against the pleasures or needs of the present! Unless in some degree this is realized as a result of general education, can the education be called a success? Can a young man be called educated who thinks no more of the future than the untutored savage?

Our remedies are not as heroic as the imposition of protective duties or even the establishment of an Imperial Zollverein, and for that reason, though often insisted on, have failed to catch the public fancy. We must attend to the training of the labourers, we must find means of discovering and utilizing abilities for successful management of business, where such exist. For the latter end something may be expected from general education and from such organizations among the working-class as the co-operative movement. Something more may be done if care be taken that a son who is to succeed his father in a managing capacity is duly qualified, not merely in natural gifts and general education, but by special preparation, which should generally include far more than it commonly does of knowledge of similar industries in other districts, and especially in other lands. Even if nothing were gained from the strictly technical point of view from properly arranged foreign travel, something would certainly be gained by opening the mind and expanding the intelligence.

But, in order to induce the best available managing ability to take and maintain control of business, something more appears to be of importance. Where trade-societies deliberately set the men's faces against the introduction of the best possible apparatus, whether by refusing to operate new machines or by

operating them in such fashion that they shall not give the advantage for which they were designed, these very men stand to suffer in the end. It will not pay them to drive the best heads away from the conduct of business. While not contending that workmen never suffer from oppression on the part of their masters, it is worth noting, as a result of experience, that the worst cases of oppression arise where the head of the business has to delegate authority to subordinates, over whom, if he be not a really strong man, he may, through carelessness or through the lack of real organizing power, fail to maintain a thoroughly effective control. Blind resistance to oppression may prove particularly unwise if it take such a form as to discourage the really able heads of business.

Cheapness gives control of the market more and more, and the hindrances placed in the way of the adoption of methods or machinery which are calculated to cheapen production without increasing the severity of work, are short-sighted. Spreading the lump of labour thin is a vicious error which entails its own punishment. Evidence exists in abundance that a cheap article, well finished, drives the clumsy or expensive article out. Intelligent use of the best machinery is, in a very large number of cases, that which is necessary to be able to produce what is required.

One other point demands a word of notice. I cannot avoid the conviction that much of the sense of severity in competition is due to the continued and comparatively rapid fall of prices which has been going on for nearly a generation. The volume of our trade has undoubtedly increased at a considerable rate, while its value has ebbed and flowed about a tolerably steady level. After former experience of rising volume of trade indicated by rising values, it is a common error to suppose that our trade is getting less because it falls back in value after every rise. I have endeavoured to show that, in this, our neighbours and rivals are sufferers equally with ourselves. As to the question of whether something should be done to check the continuance of the fall in prices, it would obviously not be desirable to add anything on that subject here.

In conclusion, though I maintain that it is not correct to speak of England's industrial and commercial supremacy as vanished, I am not prepared to urge that it will continue to be possible to maintain our place as a trading and manufacturing nation without more strenuous efforts on the part of all those engaged in the struggle, both to prepare themselves for their work and to work with whole-hearted diligence.

A. W. FLUX.

THE STATE IN RELATION TO EDUCATION.

THE past sixty years have witnessed a remarkable growth in the conviction that good education is essential to the well-being of the State, and that money expended upon it is a sound national investment. In 1833, when the educational function of the State was first recognized in England, Parliament voted a sum of £20,000 to aid elementary schools; the fact that this vote alone, exclusive of the grants payable under the Voluntary Schools Act, 1897, amounts for the current year to £6,623,027 sufficiently indicates the advance in public opinion. But, except in regard to elementary schools, we have still no organized system of national education. In this we are placed at a disadvantage as compared with other nations; and it is a curious coincidence that in the very year when we were beginning to realize that it is the duty of the State to concern itself with education, M. Guizot, in France, was engaged in solving some of the same problems as those which now press upon us for solution. As principal author of the Education Act, 1833, he drew a striking picture of the evils resulting from the gap between the elementary and the advanced classical or scientific schools. He showed how difficult it was for pupils to pass from one to the other, and he maintained that it was an obligatory duty for the Government to provide some higher form of primary instruction. The system which he founded has been greatly extended, but he and his colleagues wisely provided for this when they laid it down, that "the instruction should receive such developments as would be found suitable, in accordance with the needs and resources of the various localities."

Two generations have passed since M. Guizot's Act, and yet we are still discussing how our gaps can best be filled. Such

system as we have has, like most of our institutions, grown up spontaneously, without control, and without direction. Private enterprise and charitable bequests have played a far larger part in its development than elsewhere. On the other hand, this country has hitherto had less reason than others for realizing that education is a first condition of material prosperity, and happily we have not required a Humboldt to actualize the famous expression of Frederick William III. of Prussia, in 1807 : "Der Staat muss durch geistige Kräfte ersetzen was er au physischen verloren hat." Nor is the rigid and inelastic rule of the *Kultus Ministerium* in Germany desirable or possible in England. Belief in State action is far stronger there, and the Government, by holding the keys to all the professions, can exercise a pressure from which we are entirely free. Its attitude in educational matters has been admirably pourtrayed by Mr. Findlay :—

"To the parents, it says, 'We do not positively forbid you to educate your children ill ; you may, if you will, put him to a school of which we do not approve, and so long as he is not scandalously ill taught we shall not actively interfere ; but he will lose all the benefits that we attach to education of which we *do* approve, he will not escape three years' service in the army, he will not be admitted to a university or a *politechnikum*, and he will not be eligible for Government employment.'".¹

The result, however, of our freedom is, that we have now the crossing and overlapping of agencies, with diversities of control and income, with endless variety of educational methods, with excessive supply of schools in one place, and deficiencies in others. The most urgent need, therefore, is the proper co-ordination of education in all its branches ; and the first problems to be solved are those of organization.

"We have to do with a field already occupied, and the occupancy is of no ordinary sort. It is full of resources, national grants given on the most varied conditions, distributed through all sorts of bodies, local rates applied under many names to many things, endowments, ancient and modern, some more, others less restricted in their scope,

¹ *Report of Commission on Secondary Education*, C. 7862, vol. iv., p. 115.

some devoted to mixed, others to purely educational purposes ; it is full of agents, agencies, institutions, authorities, local, provincial, and national, and all independent in origin, unconnected in working, often occasional in purpose ; and the problem is this : to discover how all these can be so co-ordinated as to contribute to a common end. In other words, how can the sporadically created and unorganized secondary education of England be organized into an efficient and satisfactory system ? ”¹

Before much improvement can be made in the local organization of secondary schools, it seems clear that some one central authority, the main function of which should be the supervision of the whole field of education, must be established. Alone among the nations of Europe we have no ministry of public instruction. At present no less than four central authorities deal directly or indirectly with secondary education ; but, while the sphere of each authority is narrowly circumscribed, they have no organic connection with each other. (1) The Charity Commission, with whom rests the power to deal with, and make schemes for, educational endowments. Its procedure is complicated and tedious, and Mr. Fearon, the secretary to the Commission, has stated that a scheme, under the Endowed Schools Acts, however noncontentious, is hardly ever passed under a year, and sometimes takes several years to get through.² (2) The Science and Art Department, whose grants to schools and classes are virtually a State grant in aid of secondary education. (3) The Education Department, which, though directly connected with elementary education, has an important indirect connection with secondary education, through the training colleges and higher grade elementary schools. (4) The Board of Agriculture, which may inspect and make grants to any school (not being an elementary school) in which technical instruction, practical or scientific, is given in any subject connected with agriculture or forestry. Under this anomalous system a grammar school may be worked under a scheme passed or administered by the Charity Commissioners : it may be earning grants, or may also include an organized science school,

¹ *Report*, vol. i., p. 84.

² *Report of Select Committee on the Charity Commission*, Q. 2, 121.

subject to the regulations laid down by the Science and Art Department ; and it may be receiving pupils from elementary schools, whose earlier training has followed lines prescribed by the Education Department. The educational results are inevitably bad ; the organized science schools, " which are practically the higher grade schools in the country," have been compelled so to organize themselves as to live out of the grants ; hence has come a narrow curriculum, a neglect of literature, and the schools have had to confine themselves to those subjects for which they can be paid, *i.e.* those specified in the syllabus of the Science and Art Department. At the same time, the position of the higher grade elementary schools is full of anomaly.

" On the one side are those below the seventh standard, whom the Education Department knows, but not the Science and Art ; in the middle, those in the seventh standard, whom both departments know ; and on the other side, those above it whom the Science and Art Department knows, but the Education Department does not know."¹

The proposal to fuse these departments under one head is not altogether new. The Schools Enquiry Commission of 1864 suggested that there should be a central council of education ; but although this suggestion has been several times submitted to parliament, it has never been acted upon. Fears are still expressed that the tendency of any central authority might be to induce that stereotyped uniformity which we associate with the Prussian system, and to destroy that independence of action, variety of initiative, and opportunity for experiment which are so characteristically English. Nothing in the report of the Commission on Secondary Education gives the slightest grounds for such fears. Again and again the commissioners disclaim any idea to override or supersede local action ; they do not desire to control, but rather to supervise the education of the country ; they are only anxious to bring about among the various agencies which now provide secondary education a harmony and co-operation which are at present wanting. Their recommendation upon the subject expressly states that

¹ *Report of Commission on Secondary Education*, vol. i., p. 100.

the interference of the State should be confined within narrow limits, and virtually restricted to the aiding and advising of the local authorities, the prevention of needless competition or conflict between them, and the protection of private or proprietary schools from any disposition on the part of those authorities, should such a disposition appear, to force competitors out of the field. Such a code of regulations and such a system of examination and inspection as the Education Department has applied to elementary schools would, in their view, be not only unfitted, but positively harmful to secondary education.¹ The first duty of such a central authority would be to aid in the establishment of those local authorities upon whom would devolve the task of ensuring a due provision of secondary schools to cover the whole country. There appears to be good reason for hoping that active steps will be taken this year to ascertain at any rate what parts of the country stand in need of secondary schools, with a view to their provision, where necessary, by some public authority.

"If it is agreed to give a public and coherent organization to secondary education, few will dispute that its particular direction, in different localities, is best committed to local bodies, properly constituted, with a power of supervision by an impartial central authority, and of resort to this authority in the last instance."²

Such was Matthew Arnold's opinion, and the advantage of having only one educational authority in each locality is now generally acknowledged. So long ago as 1861 the Duke of Newcastle's Commission recommended the establishment of county boards for elementary education.³ The Schools Enquiry Commission suggested a similar scheme for secondary education, stating that "a county board would do, with comparative ease, what perhaps no other board could do at all."⁴ The existing local authorities consist of (1) the county councils who, under the Technical Instruction Acts, 1889 and 1891, may levy a rate not exceeding 1d. in the pound for technical or manual instruction,

¹ *Report*, vol. i., p. 286.

² *A French Eton*, p. 69, edit. 1864.

³ *Fourth Report*, vol. i., p. 330.

⁴ *Report of Schools Enquiry Commission*, vol. i., p. 643.

and to whom is entrusted under the Local Taxation (Customs and Excise) Act, 1890, the disposal of the residue of the beer and spirit duties which may be applied wholly or in part to technical education; (2) the governing bodies of endowed schools; (3) the managing committees of proprietary schools and of institutes: (4) local committees under the Science and Art Department; (5) school boards and managers of voluntary schools. The direct consequence of this multiplicity of agencies is the overlapping of schools, a considerable waste of power, and the one-sided development of educational forces. In some parts of the country secondary schools are wanting, while in other places such secondary schools as exist are insufficient in number and deficient in their capacity to supply the kind of education which the locality requires. It has therefore been suggested that a local authority for secondary education should be created for every county and county borough with a population of 50,000. Differences of opinion have arisen as to the constitution of these authorities. It is impossible that every interest should be represented on them, and the Commission finally recommended that the county authority should have the majority of its members appointed by the county council, about one-third of the remainder being nominated by the education minister after consultation with the educational council and with the authorities of any university or university colleges situate within or near the county, and the remainder co-opted by the members already chosen. In boroughs it was recommended that the borough council and the school board should appoint one-third of the members of the local authority for the borough: half the remaining third, or one-sixth of the whole, being nominated by the central office, and the remaining sixth part co-opted by those previously chosen. The duties and functions of these local authorities would fall under the following heads:—

1. The securing a due provision of secondary instruction.
2. The remodelling, where necessary, and supervision of the working of endowed schools (other than non-local), and other educational establishments.

3. A watchful survey of the field of secondary education, with the object of bringing proprietary and private schools into the general educational system, and of endeavouring to encourage and facilitate, so far as this can be done by stimulus, by persuasion, and by the offer of privileges and advice, any improvements they may be inclined to introduce.

4. The administration of such sums, either arising from rates levied within its area, or paid over from the national exchequer, as may be at its disposal for the promotion of education.¹

It is desirable that elementary and secondary education should be placed under one authority; in the case of large towns this would prevent overlapping and the conflict between school boards and voluntary schools. The authority should include representatives of managers as well as of school boards. The inequalities arising from the existing double method of paying for elementary education by way of rates and by way of subscription can only be satisfactorily removed by transferring the whole cost of maintenance in all public elementary schools, that satisfy the requirements of the education department, to the State. The cost of education in the schools of a national system, professing to be universal, compulsory, and free, should in consistency be defrayed by the State. The management of those schools, which provide the secular instruction in which the State as such is mainly interested, and submit it to the test of inspection and examination, should remain as it is. The folly of attempting to enforce a system of education that does violence to the religious feelings of the people is more and more apparent every year in France. In 1895, out of the total number of children in all elementary schools, 24 per cent. were in private schools.² This should give those who desire to suppress the denominational system in England serious cause for reflection.

The financial resources which are now available for secondary education are the following: (1) Endowments known to be subject to the Endowed Schools Acts, 1869–1874, producing about £735,000 a year, but, inasmuch as some of them are

¹ *Report of Commission*, vol. i., pp. 272, 273.

² *Special Reports on Educational Subjects*, c. 8447, p. 373.

partly applicable to non-educational objects, this sum does not represent more than £650,000 a year for education: and endowments applied or applicable in connection with elementary schools, but not subject to the Endowed Schools Acts. Although endowments altogether are of greater value than any other single item of our resources for secondary education, they do not, in the opinion of Lord Davey, form even a "substratum" for the requirements of a public system. Their distribution throughout the country is most unequal, and such towns as Birkenhead, Brighton, Gateshead, Huddersfield, Liverpool, Rochdale, and Sunderland are wholly unsupplied with endowed secondary schools. Lord Davey has suggested that the various educational endowments should be merged in the general county endowments for secondary education, to be used for the best advantage of all the dwellers within the area, irrespective of whether the fund came from one locality or another.¹ However desirable such a policy might be in the interests purely of education, it could never be carried out. The transference of such endowments from one place to another is not entirely just, and would be sure to meet with indignant opposition. As a matter of fact the Charity Commissioners already possess ample powers in this direction, sufficient, as has been said, to convert a boy's school in Northumberland into a girl's school in Cornwall. The case of endowments in connection with elementary schools is somewhat different. Many of them were originally intended for the payment of tuition fees, and, since the instruction in those schools has been made free, might well be utilized for purposes of secondary education. There is a deplorable absence of higher education for the agricultural labourer, and these endowments might very properly be used in providing higher elementary schools in suitable localities on the model of the *écoles primaires supérieures* in France. In his evidence before the Commission Mr. Macan gave a striking description of the state of these endowments in Surrey. (2) The second source of available money springs from the grants under the Local Taxation Act. These grants amount to about £807,000 a year,

¹ *Report of Commission*, vol. iv., p. 215.

and ought to be earmarked by parliament for education. The uncertainty as to the duration of the grant and the use to which it may be put by various county councils is the cause of much inconvenience. It ought to be made impossible for the councils to alienate any portion of it from educational objects. It is to be regretted, moreover, that the money should only be applicable to technical instruction. A good modern education is the necessary basis for technical instruction, and this restriction of the grant to a particular branch has disturbed the balance in the curriculum of schools.

"If there is one thing which has come out more clearly than the rest by the experience gained in the course of the work of the last five years, it is that a satisfactory system of technical instruction can only be established on the basis of a good previous general education. Institutions which were founded to give a strictly technical education have had, in many cases, to prepare students by a general preliminary training to take proper advantage of special technical teaching."¹

Many of the county councils have, however, appropriated the funds at their disposal to permanent schemes of technical instruction, and it is too late now to think of merging them in a general fund for secondary education. (3) The rates afford the third source of revenue. Hitherto the county councils have availed themselves of their power to levy rates for the purposes of the Technical Instruction Acts to a very limited extent. In 1897 it was only levied in forty-eight areas, and the aggregate produce over the whole country was only £39,000. Were it levied universally, it would produce £640,000. The commission recommended that the limit of rate should be raised to 2d. in the pound, and that it should be applied to secondary education generally. It is upon the willingness of local authorities to levy rates for education that we must in the main rely for the success of any organized system. Interest in education and appreciation of its importance are certainly increasing, but there will at first be some disinclination to undertake this new burden, especially in rural districts. There are still not a few who

¹ *Report of Liverpool Technical Instruction Committee, 1895.*

share the views of the Devonshire farmer who, when speaking at an agricultural meeting, is reported to have said,—

“a man consists of three parts, back, belly, and brains, and what we have to do is to fill the belly. Now this technical education may work the brains, but it won’t fill the belly, and so I say it is of no practical use : but if you work the back, then you can fill the belly, and so get on.”

(4) Lastly there are the fees. Local circumstances and requirements must determine their amount. One thing, however, is clear, and that is, that endowments ought not to be used for the reduction of fees in the case of those who can afford to pay the cost price of their secondary education.

A question has been raised as to the extent to which secondary education should be free. At Nottingham, in April, 1896, the Independent Labour Party boldly demanded that—

“the State should provide an efficient system of technical instruction, free and compulsory, for children between the time of their leaving the elementary school and the age at which they can be employed as workers ; and that the State be responsible for their maintenance while so engaged.”

It may be mentioned that at the *écoles primaires professionnelles* in Paris these conditions are almost exactly fulfilled; but Mr. H. J. Roby gave expression to the prevalent opinion in England when he protested against “wasting a lot of public money by paying the fees of a number of well-to-do people who are perfectly well able to pay for their own children.”¹ On the other hand, it is so manifestly to the advantage of the community that the education of the industrial workers should be prolonged beyond the elementary stage, that it becomes a legitimate function of the State to remit the fees of all those to whom their payment is a serious difficulty. The late Master of Balliol College, addressing the University Extension Delegates and others in 1887, remarked that—

“beyond the establishment of classes or the foundation of colleges, there is a still wider question already within the horizon of practical

¹ *Report of Commission*, vol. iv., p. 446.

politics—the question which I venture to raise is, whether secondary education shall be supported by the State? I know that this is a subject about which the opinions of the most liberal persons are very much divided. I would urge that no principle of political economy prevents a Government from doing for its subjects what it can do for them, and what they cannot do for themselves.”¹

It is but right that all members of the community should have the opportunity of acquiring that education which shall best fit them for their work in life, and if the tax-payers are thus compelled to pay for one section of the community, they must not overlook its indirect effect upon the welfare and prosperity of the whole. The principle of such State aid is recognized in the Welsh Intermediate Education Act. It is therein provided that the Treasury shall contribute in aid of schools aided by a county, and subject to a scheme made under the Act, an annual amount not exceeding in the aggregate the amount payable in pursuance of the Act out of the county rate. This State aid to Wales is sometimes justified by the lack of endowments there, but two of the Welsh counties (Denbigh and Monmouth) have endowments amounting to £46 and £55 per thousand of the population, an amount exceeding that of five of the seven English counties with which a comparison has been made.² A compromise might be effected by limiting this aid from the State to those counties in England which are not more richly endowed than the counties in Wales. No system of education can be based solely upon voluntary effort.

“The existing resources for secondary education, if judiciously co-ordered and utilized, would prove to be immense; but undoubtedly gaps would have to be filled, an annual State grant and municipal grants would be necessary.”³

Of greater importance than all else, perhaps, is the co-ordination of education in all its branches. The lack of all organic connection is the great defect of our existing schools. Each type of school has its special function, but the instruction should have a distinct relation to the instruction of the schools above

¹ *Report of Conference*, April 20, 1887.

² *Report of Commission*, vol. i., table E., p. 446.

³ Matthew Arnold, *Mixed Essays*, p. 173, edit. 1880.

and below it. As Mr. Sadler has pointed out, "national education cannot be divided into separate compartments, as if the welfare of one grade of it had nothing to do with the well-being of the rest."

To the realization of this truth France and Germany owe the excellence of their systems of national education. Our own secondary schools have greatly improved of late, and the schools in connection with King Edward the Sixth's Foundation at Birmingham, the annual income of which is about £45,000 afford an admirable instance of successful gradation, but we need more schools and better schools of the Continental type.

Like Germany, we have suffered from the struggle between the old classical tradition and the demand for what is crudely utilitarian and practical. Reference has already been made to the necessity of a broad curriculum as the basis for the more specialized technical instruction, and from the Berlin *Realschulen* we get perhaps the best type of a modern secondary school. Of these and the *Ober-realschulen* Mr. Sadler has given an exhaustive account in last year's volume of *Special Reports on Educational Subjects*, which deserves the closest attention.

"The *Realschulen*," he tells us, "keep before them at every turn the ideal of a liberal education. They are not commercial schools nor industrial schools. They aim at turning out well-educated boys, trained in habits of application, well equipped with knowledge, and qualified to address themselves, with good hope of success, to the duty of learning the trade or profession in which they intend to seek a livelihood. The curriculum is purely a modern one. Latin and Greek are excluded. But natural science does not predominate in the scheme of work."

We need also schools of the type of the *Écoles pratiques de Commerce et d'Industrie* of France. These schools are intended for the benefit of the distributing classes; with schools to stimulate the producing power of the community we are now fairly well supplied.

The rural districts have special features and peculiar difficulties. Some are already provided with small endowed schools that are doing useful work, and may be so remodelled

as to take their proper place in an organized system with comparative ease. Many of these schools are, however, of little practical value ; they are remote from centres of activity, poverty has depressed them, and in some cases they have suffered from the reign of an inefficient head-master. It is recorded that one such gentleman, when he was asked by a Government official why he did not put more energy into his school, blandly replied, " My dear sir, ambition and I have long been strangers." But before profitable use can be made of any supply of secondary education, the whole curriculum of rural schools must be modified and brought into closer relation with the future pursuits of the children. This is at present the great defect in village education. When this reform has been effected, the value of continuation schools will be more widely appreciated. These *Fortbildungsschulen* in Saxony have proved of the highest service, and might perform a similar function in England. By the Law of April 26, 1873, all boys leaving the elementary schools are required to attend a continuation school for three years, unless their further instruction is provided for by some other approved means. The *Fortbildungsschule* joins directly on to the *Volkschule*, or elementary school, so that the boy pursues his instruction without any break, and not, as with us, after an interval of perhaps five or six years, during which he has probably forgotten all that he had previously been taught. The schools are brought into the closest possible connection with the industries from which their pupils are drawn. Unfortunately, public opinion here is not yet ripe for a compulsory law, but the time may come when some Government will have the courage to propose such a law in the interest alike of the labourers themselves and the country at large. For those whose education beyond the elementary stage can be carried on during the daytime, the *écoles primaires supérieures* of France offer the best type of school. These schools owe their present character to causes which obtain equally in England. The circular of the Ministry of Public Instruction, which defines their position and functions, thus describes the class of children for whom they are intended :—

"They are the children of the working classes, who will in a very short time have to support themselves by manual work. They do not aspire to a classical education. Their ambition, their probable destiny, is to fill one of those numerous mediocre positions which agriculture or commerce or industry offer to the worker, with a prospect of reaching, by degrees, a position somewhat more comfortable, but which can never be high. If this is so, the *école primaire supérieure* cannot but direct the minds of its pupils from the first day to the last towards the necessities of the practical life which awaits them. It must not for an instant turn their thoughts from the pursuit of their profession; it must carefully avoid giving them tasks or habits or ideas which would estrange them from the kind of life and work which they have in view. And, whilst reminding them that Democracy has removed the barriers which formerly closely confined the individual, it must endeavour to make them love and honour their professions, rather than set them dreaming about the means for leaving them."¹

No boy may be admitted until he has obtained the "certificate of primary instruction," and has passed a year in the highest standards of the elementary school, or, in the case of children educated privately, can prove attainments equivalent to both of these requirements. The value of this "*certificat d'études primaires*" can hardly be overestimated: it promotes the regular attendance of the children, it acts as a passport to good employment, and it encourages parents to allow their children to continue at school. A similar certificate in England might be productive of the greatest good. The establishments are of two kinds: *écoles primaires supérieures*, strictly so called when the school has a separate building and direction of its own, and *cours complémentaires* when it is attached to an elementary school. Any commune may establish one on undertaking to defray the initial expense, and to bear the cost of maintenance for five years; upon this undertaking it receives aid from the State, which pays five-sevenths of the teachers' salaries, and may make grants to the extent of a quarter of the outlay, besides assisting with money loans and grants of sets of apparatus. Every school must be furnished with a workshop, and the instruction must be entirely free. They are

¹ *Circular of Feb. 15, 1893.*

district schools, and, therefore, boarding accommodation may be required. The charge for boarding averages about £25 a year; this is obviously beyond the means of a labourer, but the State provides ample scholarships: (1) *d'internat*, covering, or partially covering, the whole charge for boarding; (2) *familiales*, to pay for a scholar in a private family when the school has no boarding house; (3) *d'entretien*, to pay the parents for the scholar's food, clothes, travelling expenses, etc., and to help to make good the sacrifice of his wages while he is kept at school. In 1894 there were 594 boys to whom scholarships had been given; and so complete is the system of scholarships, that the schools are put within the reach of, and are actually entered by, children of the poorest class. For the first year the instruction is general, and then the boy chooses whether his second and third years shall be given to the industrial, commercial, or agricultural section. The tendency of the schools has been to increase and improve the manual workers of the community, and they appear to suggest an excellent method for introducing secondary education into our rural districts. The endowments now connected with elementary schools might fitly be used for such a purpose. Some of the existing small endowed schools might be utilized, or a *cours complémentaire* might be added to the most conveniently situated elementary school. The administration of the Dick Bequest in the counties of Aberdeen, Banff, and Elgin has shown how a central fund can be most successfully employed in developing an elementary school so as to meet the requirements of a considerable area. In reference to these Scotch schools, Professor Laurie writes:—

“Many have doubted what a good education can accomplish for the people; no one can spend an hour or two in one of these schools and retain the doubt.”¹

Sir John Gorst has truly observed that the chief obstacles to the progress of education in England are party spirit and religious intolerance.² Happily the “religious difficulty” in secondary education has hitherto been extremely rare, but a

¹ *Report on Secondary Education*, vol. v., p. 510.

² *The North American Review*, Oct., 1896, p. 427.

note of alarm has been struck in certain organs of the press. Nothing has so far been suggested which can justify this, and it will be a national calamity if the introduction of sectarian jealousy should indefinitely postpone a settlement. We have lost, and are losing, ground. The industrial warfare between nations never ceases; at present we are under disadvantages, and it is the duty of the State to see that our citizens are no less well equipped for the battle of life than are the citizens of other countries. In the words of M. Cohendy—

“ On peut l'affirmer sans crainte d'être démenti, la victoire, ici comme ailleurs, appartiendra à celui qui aura la mieux préparé les armes du combat, c'est-à-dire *au plus instruit.*”¹

JOHN C. MEDD.

¹ *Dictionnaire d'Economie Politique*, p. 882.

OVERSAVING AND THE UNEMPLOYED.

WHEN a lady spends £1000 on a ball-room dress, is that a boon to the poor? If so, why? And is it always and necessarily true that the rich can help the poor by following the example of Dives, as it is set out in the song-book of the Independent Labour Party?

“ Now Dives daily feasted, and was gorgeously arrayed,
Not at all because he liked it, but because 'twas good for trade ;
That the people might have calico, he clothed himself in silk ;
And surfeited himself with cream, that they might get the milk ;
He fed five hundred servants, that the poor might not lack bread,
And had his vessels made of gold, that they might get more lead ;
And e'en to show his sympathy with the deserving poor,
He did no useful work himself, that they might do the more.”

There was a controversy about this a few months ago, and the *Daily Telegraph* and Father Adderley did not quite see eye to eye on the subject. The latter has also written an article for the *Humanitarian* of August, 1895, in which he mentions, though he does not discuss the question, “If luxury is bad, is not saving worse?” and refers to Mr. J. A. Hobson’s book, *The Problem of the Unemployed*. The central doctrine of that book is contained in the following quotation from it :—

“ Under-consumption is the economic cause of unemployment. The only remedy, therefore, which goes to the root of the evil is a raising of the standard of consumption to the point which shall fully utilize the producing-power, after making due allowance for such present ‘saving’ as is economically needed to provide for further increase of consumption in the future.”

Dives, reading this, may argue thus : “ Unemployment certainly exists, and is a great evil; and since its cause is under-consumption, every man should increase his own consumption

as much as possible. I, at any rate, rather than injure the poor by saving, will do my best to benefit them by a lavish expenditure." One rich man acts on this reasoning; another saves largely out of his income, and invests his savings;—which of these two is the greater benefactor to the poor?

It must be admitted that under-consumption may be the economic cause of under-employment. Take the case of a community in which there are only two classes, slaves and their owners, and assume that the labour of the slaves has in the past sufficed to provide the bare necessities of life for themselves, and to satisfy to the full the demands of their owners for luxurious living. Now suppose that the efficiency of labour has suddenly doubled owing to the introduction of new methods of production, but that the owners have developed no new tastes, and are not disposed to allow their slaves a fuller maintenance than heretofore,—consumption being thus limited, the productive power of the community will be in excess of its requirements, its full exercise will be useless, and the owners will probably get rid of half their slaves as redundant. Or, at the opposite end of the scale, take a wealthy community fully equipped for the production of all the requirements of luxurious living, and fill all its members with a deeply ascetic spirit,—the community will not want all the wealth which it could produce, and, therefore, it will not produce it. Whether voluntary or involuntary, a restriction of consumption will result in a limitation of production; under-consumption will cause under-employment.

But under-consumption is not the only cause of unemployment; sometimes it is the absence of one requisite of production which causes a cessation of industry. During an Indian famine land and labour and the usual scanty capital are all unemployed because of the absence of rain; and in Lancashire, during the American Civil war, capital and labour stood idle because cotton was un procurable. There may also be unemployment in a country which is secure from war and drought, although consumption may be fully developed, the social organization faultless, and the distribution of wealth equitable. For as soon

as exchange intervenes between production and consumption, and individuals and classes and nations no longer produce merely for themselves but also for others, all the exchanging units become one complex organism; and a blow which diminishes the productive and purchasing power of any class or nation may be the cause of unemployment of classes or nations far removed. The prosperity of each is bound up with the prosperity of all. For instance, if in a country like England our powers of production are able to supply the demands of all our foreign customers when these are in full prosperity, any calamity which falls on any of them will tend to cause unemployment here. However highly consumption and production may be developed here, and however equitable may be the distribution of wealth, England must import a large amount of goods from foreign countries in exchange for our exports, and therefore any catastrophe which affects the prosperity and the purchasing power of a country with which we trade will render useless some part of our producing power. This important cause of unemployment seems to be inevitable.

No doubt the evil effects of unemployment may be intensified by bad social arrangements, but, if the above argument is correct, unemployment is not necessarily a mark of disease in a community. And, on the other hand, though full employment may be an index of full consumption, that consumption may be badly distributed. Thus, to revert to our first case, when the efficiency of the slaves' labour doubled, the owners might have discovered new ways of luxurious living, and so have utilized for their own enjoyment the increase in the productive powers of the community. The owners might be rioting in senseless luxury, while the slaves were restricted to the bare necessities of life, just sufficient to keep them in good working order; yet in the community as a whole, there would be no under-consumption, and no resulting unemployment. Very similar might be the state of things in a community where one class owned all the requisites of production, except the labour, while another class had nothing but its labour. Such a community might be in a thoroughly unsatisfactory condition, and yet there might be

in it full employment, and full, though badly distributed, consumption.

But though inequalities of wealth are not necessarily a direct cause of under-consumption, they are likely, if Mr. Hobson is right, to bring about unemployment indirectly by facilitating saving. For the man who has a surplus, after satisfying his most pressing needs, is more likely to try to add to his wealth, or to provide for the future, than the man who, after spending all his income, is still conscious of urgent, unsatisfied desires. Some amount of saving must always be necessary; but Mr. Hobson contends that attempts to save more than a certain socially useful amount defeat themselves, and in the end cause unemployment. Saving, except in the limited sense of putting by a store to be gradually drawn upon for future consumption, is essentially an attempt to establish a claim to share in the results of the future efforts of others. Examine the expenditure of a man who lives on the interest of his capital, and consider when the wealth which he consumes was created. The great bulk of his consumption will be found to represent wealth recently produced; few forms of wealth have a long existence, for, in respect of the greater part of it, it is being continually consumed and reproduced. The community, as a whole, is practically sustained by the daily exertions of its members. Individuals may save, and then cease to labour, but only on condition that others who continue to labour will admit their claim to a share of the newly produced wealth. And apart from a few exceptional cases, like that of a national debt, such a claim is only valid in case the savings have continued to exist and to co-operate in the work of production. It will be admitted, of course, that labour needs this co-operation, and that in many countries its efficiency suffers because it is insufficiently aided by capital; and therefore where capital is scanty Dives will do more good by saving than by lavish expenditure on personal luxury. Still it is possible that capital may be present in excess of the need for it. The part which it plays in production has increased in importance with the progress of mechanical invention and the development of classes

of highly skilled workmen. But the man who has every tool which he can use needs no new tools ; and even if a new tool increases his efficiency, still, if he can find no market for his increased output, it will only enable him to reduce his toil. Up to a certain limit capital serves either to increase the production of wealth or to enable the same amount of wealth to be produced with less labour. Beyond this limit an increase of capital has no appreciable effect. The limit may never be actually reached, but as it is approached difficulties in the employment of newly saved capital will appear. Here, in England, large classes are continually trying to make savings, which shall entitle them and their successors to share in the results of the future exertions of others, and year by year it becomes more difficult to find new investments. The new savings overflowing and seeking out fresh channels are partly sucked up by company promoters and other intermediaries between the saver and his investment; are partly lost in speculative enterprises which fail; partly find employment by rendering useless and cancelling the past savings of others ; and only the remaining part is a real addition to the world's labour-aiding capital. If England formed a self-contained society, organized on a communistic basis and devoid of any outlet for employment of capital abroad, it would be easy to see that savings which could not be utilized by way of additional aid to future production would be useless. The existence of opportunities for foreign investment undoubtedly complicates the question. In the interests of the world as a whole it is well that deficiencies in the capital of backward countries should be made good out of the savings of more prosperous communities ; the productive forces of the world are thus given greater efficiency, and there is a greater quantity of wealth to be distributed. It should be remarked, however, that borrowed capital may be wasted upon useless expenditure, as, for example, when a Government has been able to borrow and squander sums from which the unfortunate taxpayers, who are burdened with the payment of interest for the loan, derive no benefit. But, such a case excepted, the backward countries of the world gain by loans made to them

on reasonable terms out of the savings of more prosperous communities. To the communities that receive the interest paid for such loans, the result is that the wealth produced there during the year by the labour of the year, receives an additional reward from another source.

Now let us take the case of a community in which the wealth annually produced, including profits from foreign investments, is enough to supply all the existing desires of its members, and to provide for the maintenance of the capital necessary for future production. What could such a community do with new savings, if it elected to provide more capital by reducing its consumption? Such savings, successfully invested either at home or abroad, would raise the annual income of the community beyond what was required for its consuming capacity and economic needs. And this surplus could only be again invested so long as the flow of these savings to foreign countries continued in demand for economic purposes. The countries which borrowed would, no doubt, be benefited; but, so long as consumption remained stationary, the country which kept on investing its savings would not derive any real benefit from the continually increasing wealth at its command. It might indeed diminish its own production, and take the benefit of the income of its past savings in increased leisure. But if it maintained its production and did not increase its consumption, it could only go on investing abroad its new savings; and that, too, would be possible only on condition that somewhere or other consumption increased, so as to utilize the increased wealth produced by the aid of these savings. If consumption stands still it is useless to save in order to increase production.

Mr. Hobson further argues that the attempt to make useless savings is not only futile, but causes unemployment. He takes the case of a community with stable population, where there has existed a right economic relation between the forms of capital and the rate of consumption, and supposes that an attempt has been made to increase saving by a deliberate refusal to use a certain class of goods, say cotton goods, and that the saving thus effected during one year is capitalized in

the form of new cotton mills. Assuming an absolute fluidity of capital and labour, the amount of net employment has not been affected; people have been simply employed in making cotton mills, instead of making cotton goods, and the community at the end of the year has, as the result of its abstention, an additional number of cotton mills. Further, if it is assumed that in the second year more people are employed to work up the extra goods produced by cotton mills, and that these articles, not being needed for consumption, are accumulated, we should have as a result that, just as in the first year they had saved useless cotton mills, so in the second year they would have saved useless cotton goods, but in neither year would there be any net increase or decrease of employment due to the new policy of saving. It is obvious, however, that this process of saving useless cotton goods would continue only a very short time, for the markets would become congested, the weaker mills would stop work, and unemployment of labour and capital would follow. This argument appears to be correct, subject only to one modification—attempts to make unnecessary savings may be only futile and not injurious, provided that the forms in which they are embodied are wholly useless, for they are then practically only a mode of consumption.

So long as savings are utilized in the employment of labour for the production of new forms of wealth, there is no unemployment. But if the community ceases to save because it can find no remunerative investment, and returns to its old level of consumption, then, to the extent to which the forms in which it has embodied its savings can be utilized in its consumption, unemployment will result, until the surplus stocks are exhausted; and it will be seen that labour during the years of saving had been devoted to providing for the wants of future years, instead of for those of the years in which the saving was made. On the other hand, if the forms in which the savings have been embodied are wholly useless to the community, there need be no unemployment, on condition that, as soon as the attempt to save ceases, the community returns to its former level of consumption.

Thus, suppose the community pictured by Mr. Hobson uses its savings in the construction of a railway, which, when completed, is found to be no real addition to the capital of the country, there is, on his hypothesis of absolute fluidity of capital and labour, no loss of employment during the diversion of labour from making cotton goods to railway construction ; and when the railway is completed, if the community will resume its old habits of consuming cotton goods, there will be the old amount of employment again. If, then, the amount of useful employment depends upon and is limited by the requirements of the community for consumption, for the community permanently to reduce its consumption in order to permanently increase its power of production, is a process of self-stultification certainly useless and probably harmful. The use of saving is to increase production ; the object of increasing production is to supply an increased consumption.

The question still remains to be answered, “ Is there any good to be gained by an increase of such consumption as is typified by the £1000 dress ? ” Suppose that a community, which can produce annually a certain amount of wealth, finds that it cannot profitably save as much of that wealth as it would gladly do, it must then either diminish its production of wealth or must increase its consumption, so as to utilize the wealth which it would have been glad to save, but cannot. If in such a community the process of distribution were dissociated from the process of production, no particular evil need result from the community’s reducing its production ; it would be a mere choice between leisure and luxury. But in our societies as they are now organized, the processes of distribution and production are so connected that the claim to an adequate share of the wealth produced has ordinarily to be made good by contributing in some way to the production of that wealth ; and a labourer who is left unemployed will probably suffer in the process of distribution.

As long as the whole productive force of which the community is capable is exercised, no class capable of labour can be left idle. But if a community does not exert its whole

productive power, it by no means follows that the diminution of labour will be equal all round ; 95 per cent. of the possible productive power is all that is required ; but the 5 per cent. of labour which is not needed may be cut off, not by reducing the tasks of all workers alike, but by employing some workers just as fully as before, and throwing others wholly out of employment. These latter will now be compulsorily idle ; they will form a class of unemployed labourers : they may cost much less to support than if they were workers, but there will be a great danger of a loss of their self-respect and of their very capacity for work. They may sink into a helpless, hopeless, degraded way of life. In such a case it would have been better for the community as a whole that its full productive powers should have been used, even though some of the forms in which its labour was embodied were as useless as an unneeded railway or as the ball-dress costing £1000. The existence of a depressed class of unemployed poor is a greater evil than the most wantonly luxurious expenditure of the rich, and it is also an evil much more difficult to cure. For once let labourers lose something of their efficiency because they are unemployed, and their inefficiency becomes a new cause of unemployment. Moreover, the higher the general standard of life, the greater will be the minimum efficiency required from the self-supporting labourer, and the greater will be the danger of his fall below that standard of efficiency in case he is unemployed. It appears, then, to be the fact that, in a country where production tends to outstrip consumption, and where there is a danger that oversaving may cause unemployment, the wasteful consumption of the rich may really benefit the poor—not because it is wasteful, but because it is consumption.

After all, wasteful consumption is not the rich man's only alternative to useless saving. The proper end of the production of wealth is to aid the highest possible development of man by subserving all healthy human needs ; and for many a day in England there will be opportunities open to the rich of usefully spending their surplus wealth, and they need not search long to find them. And if it is the fact that in the England of

to-day consumption—even wasteful, luxurious consumption—on the part of the rich is a boon to the poor, because it prevents oversaving and consequent unemployment, it follows that this surplus wealth could be largely drawn upon for public purposes without much danger of checking production by trenching on the capital needed for the assistance of labour. The expenditure of wealth in improving the dwellings of the poor, in the provision of public baths and libraries, in the maintenance of an efficient system of public education, and in the erection of stately public buildings, would be just as effective in preventing the evils of unemployment as the wasteful consumption of rich men and women on their own personal luxury. So that if a lady has to wear a cheaper ball dress because of the heaviness of county council and school board rates, she may console herself by the thought that the poor will not really suffer in consequence, for she will be spending just as much as before, though on different objects and through a different agency. And, what is far more important from the ethical point of view, which has not been under consideration in this article, she will escape the obvious charge of personal extravagance and luxury, which must always have a bad effect on character, entirely apart from the question of its social effects.

F. C. CHANNING.

INDIVIDUALISM AND SOCIALISM.

I.

AS the present is a period of political transition and political reconsideration, a special interest attaches to academic discussion of political and economic principles in both the imperative and indicative moods. It is, therefore, the plain duty of those who, like the authors of *Essays in Liberalism*, believe themselves to be substantially in the right and their opponents to be substantially in the wrong, to welcome any opportunity for continuing a controversy upon which, in the not remote future, a reconstruction of parties will in all probability depend. Such an opportunity is afforded by the publication, in the *Economic Review* for last October, of an article entitled "Socialism and Individualism: A Challenge and an Eirenicon." Mr. Ball is anxious to make the dispute hinge upon economics. We attacked Socialism from both the moral and the economic standpoint, and we complained that Socialists usually fail to distinguish the two. Mr. Ball professes to make the distinction. Does he carry out his profession? On p. 502, the moral and political issues are brushed aside. "Don't trouble," he seems to say, "about individual and social liberty; the 'modern significance of Individualism and Socialism lies in an economic rather than a moral or political reference.'" But the habit of confusion is inevitable to socialistic methods of argument, and our old friend, "Moral Economics," reappears all coyly on the very next page:—

"When the State makes the conditions of its service truly honourable and democratic, then we shall get some idea of what is really meant by industrial democracy."

Again, we are told that no "understanding Socialist" would
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fail to recognize local self-government as an "aspect" of Socialism, or Mazzini as one of its prophets. But it were slander to connect Socialism with direct State action, and so involve it in the unpleasant associations of compulsion and protection. We learn, too, from Mr. Ball, that it is to Socialists that we owe such phrases as "the economic independence and freedom of the individual," and that, when these ideas are roughly snatched away by the Liberal essayists, Socialism "loses its whole moral force." In other words, the "solid structure of Socialism" becomes immoral as soon as you deny its claim to assume the economic principles of the classical economists and the Manchester school!

What, then, is Socialism? It is described as a "general" and "mainly regulative idea, . . . a touchstone and a criterion, a principle of discrimination." Here there seems to be some approach to definiteness. But that hope is soon dispelled; for we are at once warned that Socialism, though general and regulative, is not a general system of State regulation; for that would be "Social despotism." Nor must it be confused with Bellamy's fancy pictures of the abolition of property. To be brief, Mr. Ball believes in the "magic of ownership," and looks forward, like the Oxford essayists, to a gradual improvement and reformation of the present industrial system on co-operative lines.

But let me be quite plain. With, at least, half of Mr. Ball's diverse theories I must profess the most hearty disagreement. Mr. Ball's article seems to be specially designed to discredit systematic thought, and shake the mental equilibrium. He has constructed a political and economic see-saw, and has put it into violent movement in the course of his argument. But it is unnecessary to select further inconsistencies. We have it, on Mr. Ball's authority, that, if we want to demolish Socialism—as we do—we must dispute the claims of Socialist economics to be the basis of political science. No one, says Mr. Ball confidently, would venture to connect Socialism, "as such," with an ignorance of political economy. The essayists, however, owing to their extreme *νεότης*, "show no more consciousness of an economic

problem than John Bright himself." In order, therefore, to prove the superiority of Fabianism, Mr. Ball takes in hand the problem of municipalization. On his way he crushes one of the essayists—

"The essayists (or at least some of them) are much pleased with a 'somewhat new distinction in monopolies'—between a 'natural' monopoly and 'an ordinary competitive trade.' What is novel is the writers' unconsciousness that it is a commonplace . . . which has ceased to be instructive."

This is on p. 511. On p. 512, I find that this same attempt to affiliate municipal enterprise to the Manchester school is described as "more ingenious than felicitous." If Mr. Ball's different comments were not so far apart, he would be regarded as a master of the art of oxymoron. But I should like to ask Mr. Ball to quote one of the many parallel passages to that in *Essays in Liberalism*,¹ where I tried to show how Liberals, who believed in the economic principles taught by Ricardo and Mill, and practised by Cobden and Gladstone, would discriminate between good and bad forms of municipal enterprise.

It is evident that Mr. Ball does not regard the inquiry, "as such," as uninstructive or commonplace; for he is himself ready with a bewildering number of answers. Socialists would "control the supply of gas, but not of artistic furniture." Is this the doctrine of Mazzini? The late Mr. William Morris laid great stress upon "the æsthetic" of Socialism, and informed us, in one of his last essays, that commercialism "has now become incompatible with the existence of a healthy art." Again, Socialists would not "dream" of municipalizing cotton or ship plates. Why not? Apparently because they do not admit of "co-operative industry." Here, then, is the criterion which Mr. Ball substitutes for that of *νεότης*. But there seem to be two objections to the more authoritative dictum of seniority.

In the first place, the cloth trade admits of successful co-operative industry, and if so why not the cotton trade?

Secondly, municipalization has nothing whatever to do with co-operation except in the mind of a dreamer. The practical

¹ Pages 80-86.

Socialist Party, in all our great towns, invariably puts up or supports candidates at the municipal elections who are pledged to a policy of municipalization. At the same time, it is strongly opposed to the principle and practice of co-operation. The Independent Labour Party knows quite well that Collectivist programmes do not appeal to co-operators.

But it is very much easier to offer criticisms of an opponent's position than to establish one's own. In an economic essay, avowedly written from a party standpoint, it was impossible (to adopt an Americanism) to go down to the "bedrock." I would therefore take this opportunity of laying down two propositions:—

The first is, that in the sphere of wealth—that is, in its production and distribution—men tend to seek their own advantage. This is the psychological foundation of economic science. When it ceases to be true, Collectivism ceases to be impracticable. In the mean time, few will be willing to sacrifice economic science and political faith on the altar of an elastic formula or a regulative idea.

The second is, that those who do more or better work have a right to more pay.

I admit that this cannot be proved. I would like to regard it as an intuitive principle of morality. Yet one notices sentiments and opinions in the works of eminent Fabians which appear to run counter to it. Thus the brilliant authors of *Industrial Democracy* speak with apparent sympathy of a "deep-rooted conviction" in a considerable section of the wage-earning class, that "the conscientious, industrious, and slow mechanic ought, in equity, to receive no less pay than his quicker but equally meritorious neighbour."¹ An expression of opinion from Mr. Ball upon this point would certainly help to clear the air.

Meanwhile, it is satisfactory to find that so many of the leading Socialists are gradually bridging over the chasm which once divided them from Liberal doctrines and the Liberal tradition. It would seem, to borrow a famous phrase, that Mr. Ball's

¹ Page 285.

opinions are with the old Liberalism, and his sympathies with the new Socialism. But that being so, one regrets that he does not more carefully distinguish scientific arguments from emotional appeals. It is not to be expected, however, that a convert should make his conversion too apparent. He may be forgiven for throwing a little haze around the new position. The name Socialism still remains ; but Mr. Ball has now publicly stripped it of its content, and dissociated himself from its present prophets and followers. I can only hope that many others will be able to imitate our distinguished critic ; and, like him, retain all their old zeal in the support of well-directed efforts to raise the intellectual and moral standards of the upper and lower classes, even while they are throwing overboard their own shares of a cargo of quack remedies and economic fallacies in which they had become unwilling and unsuspecting partners.

F. W. HIRST.

II.

I AM afraid I find it difficult to follow Mr. Hirst's criticism. I did not brush aside moral and political issues; they are inseparable, as I tried to show, from the economic issue. I cannot see how an economic ideal can be independent of a moral point of view, or even of "appeals to emotion." What I contended was, that Liberals and Socialists are agreed as to their social and political ideals : in what, then, do they differ ? In their conception of the economic machinery most appropriate to those ideals. The question between them is not a question of the social ideal, nor of economic fact ; it is simply a question of economic policy. What is the economic policy that is most compatible with the realization of "liberty, fraternity, and equality" ? Unless Mr. Hirst really holds that there is some pre-established antinomy between ethics and economics, I cannot conceive what he is trying to prove. If he can show that "competition" of the ordinary commercial type promotes "the individuality" of the many, then he has answered my point ; for what I contend is, that it promotes the individuality of the few, and that a narrow

and exclusive kind of individuality, at the expense of the many. Mr. Hirst refers, with some enthusiasm, to Mr. and Mrs. Webb's *Industrial Democracy*, but does he consider that the analysis of commercial competition and its effects that is given in those volumes justifies his position of economic optimism?

I never said, on the other hand, that Socialism was a purely economic policy: there cannot be such a policy, though politicians of the Manchester school have attempted such an abstraction, and endeavoured to conduct State policy on "purely economic principles." Socialism is, as I maintain, the economic complement or development of moral and political Liberalism. In other words, the ultimate test of "Socialist" method and machinery is simply, Does it tend to increase or diminish individuality? You may call this a moral or an economic test as you will; what Socialism asserts is, that the moral and the economic tests are inseparable. I understand that Mr. Hirst would not take exception to this test: very well, then, our difference is only economic in the sense that we take a different view of the actual working of economic forces, and of the possibility or desirability of changing or modifying their direction. And, I may add, that my article has been welcomed in many quarters as a much-needed attempt to narrow the issue to a question between industrial competition and industrial co-operation.

Mr. Hirst clearly does not understand that the phrase "*economic independence and freedom of the individual*" refers to the divorce of the worker from the means of production, and connotes something more than the formal but ineffectual freedom to which certain theorists of Liberalism have limited the conception. To adopt a Hegelism, under a system of private Capitalism, only "some men are free." Nor does Mr. Hirst seem to understand that, if Socialism is a "regulative idea," or principle of action, it cannot, at the same time, be a "system" of State-regulation, or of anything else. Modern Socialism is comparatively free—except in the representations of its doctrine by its critics—from the fallacy either of the abstract, or of the mechanical, ideal: it purports to be both a relative and a progressive ideal: it does not adjust life to system, but system to life. And it is just

because it believes in the progressive possibilities of life and character that it has faith in a more and more Socialist future. It does not rely (any more than I do) on the magic of ownership as the single, or even as the most effectual, economic motive : it believes also in the sense of comradeship, and in the power of co-operation ; but it does not (like Mr. Hirst) limit the idea of industrial co-operation to this or that sectional form of association, but extends it to that completer form of civic co-operation which is represented by collective control and municipal enterprise. As Mr. Hobhouse puts it, in a valuable and suggestive article on "The Ethical Basis of Collectivism," the true line of social progress, according to the Socialist contention, is—

"the development of that rational organization of life in which men freely recognize their interdependence, and the best life for each is understood to be that which is the best for those around him. The attempt to shape our social customs and institutions in this spirit is the aim and principle of Collectivism."¹

I am certainly in favour of systematic thought : I wish I could see more signs of it in the Liberal party ; but I distrust abstractions in politics as in ethics—confessing myself to be in this respect a follower of Aristotle and Burke,—and I submit that in order to be systematic it is not necessary to be doctrinaire. Mr. Hirst describes my argument as a political and economic "see-saw." This is hardly an equivalent expression for "adjustment" or "conciliation." Mr. Hirst, again, does not understand that "consciousness of an economic problem" means consciousness of a problem raised by the whole of our economic institutions—not an economic problem in the sense of a theoretic problem in economics. Mr. Bright, for instance, was an economic optimist as regards modern industrialism. Modern free-trade England was to him the best of all possible economic worlds.

I am sorry that, under the influence of a reminiscence of Plato, I used a word which seemed to suggest literal "youthfulness :" the remark which provoked the description was made by a professor of mature years. I am at a loss to conceive what

¹ *International Journal of Ethics*, Jan., 1898.

Mr. Hirst means by his "oxymoron," still more what he can mean by supposing that Morris wished to entrust a modern town council with art design. Mr. Hirst has been misled by the associations of "Co-operation." I, of course, used "co-operative industry" in the sense of any industry or production organized by the consumers themselves. Municipal enterprise, for instance, is a form of consumers' co-operation. What admits of voluntary co-operation does not necessarily admit of municipal co-operation. The "sale of liquors," for example, admits of municipal co-operation, but hardly of "co-operation" in the narrow sense. I did not propose any definite or abstract criterion for municipal management. Experience is more helpful than theory in these matters, as the whole history of municipal activity can testify; and circumstances have diminished the importance of the criterion selected by Mr. Hirst. Anything we can lay down by way of a regulative principle is bound to be formal and general. There are certain industries, mostly of a routine character, which admit of municipal management better than other kinds; there are some which do not admit of it at all, and so forth. Mr. Hirst seems to demand exactness where it cannot be reached, except at the risk of becoming pedantry. The attempt to define the limits of State or municipal action by hard and fast lines is bound to be "unequal to the subtlety of nature." Mr. Hirst emphasizes a distinction which is not by itself decisive, and, in view of modern industrial developments, is not particularly important.

Mr. Hirst is apparently not familiar with the extension of the idea of co-operation to cover collective industry (see, for instance, Mrs. Webb's *Co-operative Movement*, and Mr. Hobhouse's *Labour Movement*), and perhaps I assumed too readily that critics of Socialism were necessarily familiar with its literature and ideas.

As regards Mr. Hirst's "propositions," I am surprised to encounter "our old friend" the "economic man" in all his naked and primitive simplicity; he is not even brought up to the date of Marshall, who enlarges upon the growing importance (to the economist) of "motives to collective action." A proposition which

covers the "tendency" of a burglar or of a sweater, and many other forms of "own advantage," does not seem to preclude the idea of collective control or collective industry. If men are really incapable of co-operating for common ends "in the sphere of wealth," then not only collectivism, but society itself, is impracticable. Mr. Hirst's proposition would justify anything or nothing. The fact that men tend to seek their own advantage—which, as Professor Marshall points out, is not even true of the economic man—is "the foundation" of many things Mr. Hirst least approves, as, for instance, of the Independent Labour Party. But apparently Mr. Hirst regards Collectivism as a form of social despotism devised by academic thinkers for the regulation of "the economic man;" but the "new unionist" is, after all, as much an economic man, according to his lights, as the city merchant. Moreover, it is perfectly arbitrary to assume that co-operation does not appeal to the "economic" nature of man as much as competition. All the signs of the times witness to the growing recognition of the economic superiority of co-operation to competition—whether it takes the form of trusts, trade alliances, industrial co-operation, or municipal industry. The crude and primitive form of competition which Mr. Hirst seems to regard as the essence of industrialism, is just what is characteristic of industries in an arrested state of development, more especially the "sweated trades."

Mr. Hirst, however, understands by Collectivism a system of industry in which all incentive to emulation is suppressed; and this seems to be the meaning of his difficulty about remuneration. As I have tried to point out, Collectivism does not seek to abolish competition, but to raise its plane—to make emulation in the public service gradually supersede competition for private gain. As regards the ethics of remuneration, I understand Mr. Hirst to maintain the rights of "unearned increment," so far as labour is concerned: for in the case he states, the assumption is that both workmen are equally "meritorious." To my mind, it is not a question of abstract right (which, indeed, has no meaning); so long as business is managed on individualistic methods, it is clear that the principle

of "payment by results" must obtain. No other idea of remunerative justice is relevant to a purely commercial system. Whether it works out for the general good, is another matter. Personally, I am disposed to maintain that the motive of private gain is not the highest or the most efficient industrial motive, and that differences in reward tend to be out of all proportion to differences in merit. But this much I can safely assert, and that is that the whole presupposition of Collectivist industry rests upon a different conception of industrial life, which would carry with it a different idea of remunerative justice. I cannot do better than quote in this connection a writer who has animadverted as strongly on the false idols of Socialism as Mr. Hirst himself. Mr. Bosanquet,¹ in commenting upon "the equality of wages" at Athens, observes that it "is a very striking fact, and points to a healthy state of things." No one, he says, nowadays would grudge a certain recognition of special excellence in work,—

"but, in the first place, the gigantic differences of remuneration now customary in society do not represent a proportional difference in merit, but, on the contrary, are often quite fatal to excellence, by changing art and science and technical skill into mere money-making ; and, secondly, I must and will reiterate with the philosophers and moralists, and against, if necessary, all the existing appearances of society, that wages or property, one's share of the product of society, is not there to reward for doing work, but either to give one work to do, or to enable one to do it : and it is by that standard alone that its adequacy must be judged."

But the lower idea of reward must prevail for lower methods and conceptions of industry. It does not follow, however, that motives which, as things are, do produce industry of some kind are either the highest motives or productive of the highest industry. Socialism, as I have pointed out elsewhere, is nothing if not a superior conception, and (because a superior conception) a superior method, of business.

As regards my own position in relation to Socialism, I am content to be a follower of Mill, from whom I learnt my first

¹ *Essays and Addresses*, pp. 65, 66.

lessons in Socialism as well as in Liberalism. To my mind, Socialism is simply the economic complement of Liberalism: modern economists choose to throw over Mill's Socialism, or put it down to the influence of his wife, just as certain modern philosophers throw over Kant's *Critique of Practical Reason*, or put it down to the influence of his serving-man. I have tried to state the case for Socialism, because I think it is at least worth understanding—not because I regard it as by any means complete; and I see little disposition in "Liberal" thinkers to understand what they undertake to refute. Mr. Hirst's concluding observations only go to confirm that conviction: of all forms of dogmatism, I believe that economic dogmatism is the most impenetrable. On the other hand, I believe Mr. Hirst and myself are more agreed than might appear (not that I accept his draft of the terms of agreement); and I hope that no criticism or counter-criticism I have offered will be considered incompatible with a genuine admiration for the essays with which Mr. Hirst is so honourably associated. Political idealism is not so common amongst us that one cannot recognize the value of such a strenuous and militant assertion of political principle.

SIDNEY BALL.

NOTES AND MEMORANDA.

GERMAN WORKMEN'S COMPENSATION FOR ACCIDENTS.—Our own adoption of a Workmen's Compensation Act invests the results of similar measures in force abroad with some interest. The German returns for the year 1896, the twelfth year during which compensation for accidents has been practised under the insurance laws, were issued a few weeks ago. The number of disablements compensated shows a further increase, from 4·05 per 1000 workmen insured to 4·84 per 1000, or, in actual figures, from 74,467 to 85,272. Even so, the Imperial Central Office apprehends that not all accidents actually occurring are reported, more particularly in agricultural employment, in respect of which the numbers still show the largest increase. There are now ostensibly 17,645,190 persons insured, viz. 11,189,071 engaged in agriculture, 681,439 engaged by the State or local authorities, and 5,734,680 engaged in industry. However, in this reckoning more than a million are probably counted twice over, and it seems that the real figure may be taken as standing at 16,000,000.

There are four distinct classes of institutions employed in providing compensation to workmen. But of these, two,—that is, the official bodies directing the compensation of workmen employed by public departments and by local administrative bodies, and the insurance office attached to the corporation of builders, which insures the workmen employed by certain classes of employers just like an ordinary insurance company, charging fixed premiums according to a scale,—enter into account only to a very small extent, the former paying in the year only about 5,000,000 marks (£250,000) out of a total of about 57,000,000 marks, and the latter less than 900,000 marks (£45,000). The principal bodies acting under the laws are the industrial and the agricultural employers' corporations, grouped together for the purpose, and administering each corporation its own affairs under Government control. The two classes of corporations between them have, in 1896, allowed compensation for 81,472 new accidents, in addition to 267,255 carried over from previous years—348,727 in all. Some of these appear, however, to have fallen into abeyance during the year, for the

entire figure is officially given as 324,418 for the "corporations," with 27,871 more under the two other categories to bring the total up to 351,789. It appears that on an average among 1000 persons employed in agriculture 3·84 have been disabled ; in industry, 6·72 : as a mean between the two, 4·82. Very few of these cases would have been compensated but for the Compensation Laws. There were, in 1896, 28,979 widows in receipt of compensation annuities, in addition to 791 whose annuities were commuted on their remarriage ; 53,902 children of workmen killed by accidents ; and 1,878 parents or grandparents. The sum of 154,893 marks was paid by way of compensation to 245 aliens. The burial money paid in connection with the compensation measures during the year amounted to 322,132 marks ; 2,633,760 marks was paid in hospital expenses proper, in respect of 18,068 persons ; 634,115 marks in half-pay to families of patients in hospital ; 1,309,615 marks for orthopædic and other special treatment, in respect of 40,652 persons ; and 499,134 marks were spent beyond what was legally required, to disabled workmen before compensation became due. Agriculture paid 12,618,917·46 marks for its disabled workmen, and industry 38,707,864·70 marks ; that is, both figures standing for actual compensation alone. The total expenses figure as 16,072,386·81 marks in one case, at 1·44 marks per person insured, or 176·43 marks per disablement allowed ; as 50,888,364·50 marks in the other, at the rate of 8·87 marks per person insured, 218·11 marks per case allowed, and 12·97 marks per 1000 marks wages.

The current expenses for administration are given as 5,183,220·19 marks in respect of industrial, and 1,944,670·55 marks in respect of agricultural accident insurance ; that is, 7,127,890·74 marks in all, representing little more than 10 per cent. on the receipts in premiums in one case, and 13 per cent. in the other, or about 12 per cent. in all. However, other expenses—for inquiries into accidents, preventive measures, adjudication, etc.—swell the outgoings to 7,759,995·21 marks in respect of industrial insurance, and 3,054,955·82 in respect of agricultural, or 10,814,951·03 marks in all, which reckons up to nearly one-sixth—not quite 17 per cent. in all. Perhaps this includes more than can justly be debited to administration. The figure officially given for expenses is 14·5 per cent. of the takings. Calculated for industrial insurance alone, which accounts for by far the heaviest amount of business, the proportion of expenses to takings is only about two-thirteenths ; that is, about 15 per cent. But agricultural insurance, being answerable for about 21 per cent. of the takings, brings it up to between 16 and 17 per cent. Agricultural accident insurance is at present the most troublesome factor in the German compensation

problem, and the results recorded appear to justify Mr. Chamberlain's decision to allow this matter to stand over until there is more experience to go by. It was adopted in Germany, at any rate, in part, to propitiate the rural voters, and yet employers were spared in order that the deputies reputed most faithful to the powers that be might not be alienated.

The increase in the number of accidents *reported* is mainly due to the slow but gradual waking up of the agricultural population to the fact that its disabled members have a legal claim to compensation. But whatever increase there is appears only in the columns which record slight or temporary disablements. Taken absolutely, the figure of reported accidents shows a considerable increase; but calculated according to 1000 workmen insured, it stands in 1896 at little more than it did in 1887—that is, at 4·84, as compared with 4·15. Both annual figures are abnormally high. The rate generally now stands at less than 4 per 1000. The number of deaths is slightly higher in agricultural insurance, but has generally gone down from 0·73 per 1000 in 1886, and 0·79 per 1000 in 1887, to 0·39 per 1000. The proportion of permanent total disablements has sunk from 0·48 per 1000 in 1886, and 0·77 per 1000 in 1887, to 0·09 per 1000. On the other hand, the figures for permanent partial, and for purely temporary disablement have grown severally from 1·06 in 1886, and 2·05 in 1887, to 2·52 per 1000 in 1896; and from 0·56 in 1886, and 0·54 in 1887, to 1·84 per 1000. That is in part due to the more liberal allowances made of late years. Cases are admitted as just which would previously have been dismissed. The burden upon employers remains light; that is, at the rate of about 1·33 per cent. addition to the wages.

The short summary report for 1897, issued by the Central Office at Berlin since the above was written, shows that it has been found necessary to create an additional industrial employers' corporation, the corporation of butchers. The number of disablements reported in 1897 was £381,865, of which 92,521 were allowed as entitling to compensation. There were, in 1897, 380,958 disabled persons in receipt of pensions, moreover 36,715 widows, 65,742 orphans, and 2317 other dependants, in addition to which 29,599 dependants of disabled workmen undergoing hospital treatment received half-pay. In all, there were no less than 515,331 persons deriving pecuniary benefit under the law, to the collective amount of 64,085,317 marks (£3,204,265).

HENRY W. WOLFF.

WORKMEN'S COMPENSATION IN DENMARK.—The Danish Legislature, busy since 1885 with proposals to provide effective insurance against disablement by labour accidents for workmen, has, on January 7th, finally passed a Workmen's Compensation Law, which is to come into force a year after passing. The measure resembles the Act passed by our own Parliament last year in making employers individually liable to their workmen, though favouring the formation of mutual employers' associations, to answer collectively for claims becoming due. Such mutual insurance associations, to be legal, will have to be first approved by the Government. The family likeness with our own Act appears furthermore in the exception made from the rights granted to the prejudice of workmen employed in the building trade, upon structures consisting of one story only and the roof. The scale of compensation fixed, allowing six years' wages for total disablement, and four years' wages (in addition to 50 kroner—that is, a little more than 50s.—burial money) in case of death, also more or less recalls our British measure. The Danish measure is as unkind as our own in making the workman forfeit his compensation if it can be shown that he has brought disablement upon himself by design or by his own serious misconduct (*grov Uagtsomhed*). But it is a great deal more equitable in absolutely disallowing "contracting-out," and avoiding one great blot on our Act, to which I have already called attention, by providing a properly constituted executive authority to see that the provisions laid down are carried out without any necessity of setting the law courts in motion. There will, in point of fact, be no litigation of any sort; but an appeal will be allowed from the "Council for Workmen's Insurance" to the Minister of the Interior.

The law applies to all industrial establishments, establishments in which explosive materials are manufactured or employed, quarries of every kind, ice works, well-sinking, building (as already qualified), railway work, employment in tramway and omnibus service, loading and unloading of goods, diving, wind and water mills, and to all employment carried on with the aid of machinery. To decide which employers and workmen come under the law, to set the law in motion and to see it properly applied, a council is to be appointed, consisting of seven members: three, including the chairman and a medical man, to be nominated by the king; two employers, to be selected by the Minister of the Interior; and two workmen, to be elected by the workmen's sick club. This council will be salaried out of the general revenue. Every accident occurring will have to be reported to it by the employer within eight days of its occurring. The council will then conduct the inquiry according to rules laid down, with the assistance of witnesses, experts,

and medical men, and adjudge the compensation due, which will become payable only from the close of the thirteenth week. Until the disablement be declared permanent the disabled person is, while under medical treatment, to receive three-fifths of his ordinary wages, however in no case less than one krone (1s. 1½d.) or more than two kroner per day. If disablement should become permanent, a lump sum corresponding to six years' wages, but not in any case less than 1800 nor more than 4800 kroner, is to be paid. If the workman be of an age between thirty and fifty-five, it will be for himself to decide if he will take such compensation in cash down or in the shape of a life annuity purchased with the principal, provided that he be of sound mind. If otherwise, the payment will have to be commuted into a life annuity. If the disabled man be younger or older than the ages specified, the council will be entitled, at its own discretion, to invest the compensation money in a life annuity or not. If the claimant be a woman or a child, it will have discretion in any case to act as it may deem best. If the victim of an accident should die, as observed, 50 kroner will be payable in burial money, and the equivalent of four years' wages, not exceeding 3200 kroner, nor falling short of 1200 kroner, will be due to "dependants" or belongings, a wife ranking as such if she have been properly married to the man before the accident took place. Apprentices rank as workmen, and it says something for the methods of remuneration in use in Denmark, that in the law "profit sharing" is particularly mentioned as constituting part of the wages to be taken into account. From this it would appear that profit-sharing has already become in Denmark a recognized form of industrial remuneration. Employers are directed, on pain of a fine, to exhibit in their workshops, or wherever their workmen may be employed, a notice setting forth in plain characters, so that every one may be able to read it, the fact that the establishment is under the Compensation Law.

The Danish Compensation Law is not by experts judged a very good one, but it marks a decided improvement upon our own Act.

HENRY W. WOLFF.

THE LOCAL CO-OPERATIVE PRESS.—A feature of contemporary co-operation which has attracted little attention hitherto is the growth of local co-operative periodicals. I have before me a batch of such, mostly lent by the Labour Association. They consist of numbers of the *Co-operative Record* for the Birmingham district; *Bolton Co-operative Record*; *Wheatsheaf*, a monthly co-operative record, issued by the Congleton Equitable and Industrial Society; *Dalziel Co-operative Record*; *Leeds Co-operative Record*; *Leicester Co-operative*

Record; Nottingham district *Co-operative Record*; city of Perth *Co-operative Pioneer*; Plymouth Mutual Co-operative and Industrial Society, Limited, *Monthly Record*; Stafford district *Co-operative Record*; Stratford *Co-operator*; *Comradeship*, a journal of the Royal Arsenal Co-operative Society, Woolwich, Plumstead, Erith, and Chatham.

Ten out of the twelve are thus English, two Scotch. They vary somewhat in size; but all are octavos except the Congleton *Wheat-sheaf*, which is a small quarto, and all have a double-columned page. All but one are published monthly; all have covers (devoted to advertisements), except the Dalziel, Nottingham, city of Perth, and Stafford district papers. The Bolton, Perth, Plymouth, Stratford, and Woolwich papers purport to be under the direction of the educational committees or departments of the respective societies. Half of the number are printed by co-operative bodies: the Congleton paper by the Co-operative Wholesale Society, the Dalziel one by the Scottish Co-operative Wholesale, the Leicester and Stratford ones by the Leicester Co-operative Printing Society, the Nottingham one by the Nottingham Co-operative Printing Society, the Stafford one by the Co-operative Newspaper Society. Bolton, Leeds, Perth, and Woolwich employ local printers; Birmingham and Plymouth (illegally) bear no imprint. Thus half of the number help directly to swell the volume of co-operative trade.

Of the whole twelve the Dalziel paper is the only moribund one, the fourteenth number, for December, 1897, being headed "Adieu"! Others appear to have a very robust vitality: thus the Leicester *Co-operative Record* for December, 1897, is "No. 296, New Series," carrying back the beginning of the series to October, 1873, with an unknown background of years for the old series. The city of Perth *Co-operative Pioneer* for the same month is the 246th, carrying it back to July, 1877; the Leeds *Co-operative Record* for October, 1897, is the 238th, carrying it back to January, 1878. The Bolton and Nottingham district *Co-operative Records* appear to have been in existence since 1889. The youngest on the list is the Woolwich *Comradeship*, the first number of which is dated October, 1897. All appear to be gratuitous except the Stratford *Co-operator*, the subscription to which is a shilling a year. Of the Plymouth *Record* five thousand copies are stated to be issued monthly; of the Stratford *Co-operator*, three thousand. I do not find any other statement of circulation; but the large amount of advertising, in several instances, seems to indicate a high figure.

Owing to the difference in size, it is difficult to estimate precisely

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the amount of matter supplied ; but the Congleton and Bolton sheets stand certainly at the head of the list in this respect. In the Birmingham one the editorial matter flows over into the green-paper sheet reserved for advertisements, and takes up three pages of it. Bolton and Perth have illustrations (portraits of persons employed). Several have bits of verse ; two or three have tales. The staple matter generally consists of local intelligence, such as reports of meetings, conferences, lectures, concerts, excursions of field clubs, etc. Thus, in the Leeds *Co-operative Record* for October, 1897, the society's calendar and that of its Women's Co-operative Guild fill up the first page. The celebration of the society's jubilee takes up eleven pages ; the Naturalist's Field Club about a page and a half. The universe outside Leeds has to put up with a report on the Oxford summer meeting to the educational committee of the society, and less than a column of paragraphs on "The World's Productive Capacity," "The Worth of Paper-pulp," and "A New Cycle Tyre." At the opposite pole, it may be said, stands the *Co-operative Record* of the Birmingham district (October, 1897, and January, 1898), the former of which dwells on "the great advance of productive co-operation," as shown by the Crystal Palace Festival and meeting of the Labour Association, whilst the latter reports the opening proceedings of the Trade Union Congress, and gives extracts from the *Economic Review*, both numbers containing original extracts, with or without translations, in French, German, and Spanish, which testify to the editor's linguistic acquirements. That the influence of such papers is not purely local is shown by the publishing, in the *Wheatsheaf* of Congleton (December, 1897), of a letter from a member of the Portsea Island Co-operative Society ; and in the Leicester *Co-operative Record* (October, 1897), of an article by Mr. W. H. Brown, editor of the Stratford *Co-operator*, on "the Rage for Cheapness."

Several of the papers discuss the Co-operative Wholesale Society's scheme of superannuation for its employees, which was then before the co-operative public. The Nottingham district *Co-operative Record* (December, 1897) has a sketch of "Charles Fourier, Socialist;" the Stafford district *Co-operative Record* (May, 1896), a paper on "Quacks and Quackery;" the city of Perth *Co-operative Pioneer* (October, 1897), on "Municipal Representation;" the Congleton *Wheatsheaf* (December, 1897), a sketch of "Henry George." Among the more noteworthy co-operative matter may be mentioned—in the Bolton *Co-operative Record* (October, 1897), an address by Mr. Thompson, secretary of the Ashton-under-Lyne Society, on "The Higher Aspects of Co-operation," and one by Mr. Grindrod, on "Co-operative

Principles ; " in the Congleton *Wheatsheaf*, the paper by Mr. Maxwell, of the Scottish Co-operative Wholesale, on the late J. T. W. Mitchell. The Birmingham district *Record* (October, 1897) dwells on the importance to co-operators of acquiring foreign languages. The Nottingham district *Co-operative Record* (December, 1897) has an appeal from the members of the Co-operative Commercial Travellers' Association for support to Co-operative production. The Plymouth *Record* has published a paper on women's work in the co-operative movement, and generally it may be said that the Women's Guild is prominent in the local co-operative papers.

The Stratford *Co-operator* being the paper of which I have the largest collection (thirteen out of fifteen numbers), I will give here a special account of it. Its opening number (July, 1896) states that "it comes as the accredited organ of an association of working men, numbering 5932, who last year traded to the extent of £136,762, and whose present capital is £61,912. . . . We have a mission—a clear, definite, practical faith to proclaim, which will be held forth, come what may, and carried to a sound, substantial realization in fact. 'Association,' said Mazzini, 'is the word of the epoch.' Co-operation is equally the great fact in modern working-class economics. . . . To promote that movement in the locality is the hope of the Stratford *Co-operator*. It will record the progress of the society, the advance of branches, . . . set before its members the aims and ideals of earnest co-operators, and generally extend a knowledge of the principles of our movement. . . . Fraternally shall we address our readers, believing that co-operation will bring about that brotherhood of man that thinkers have proclaimed all through the centuries. The workers must capitalize their own distributive agencies, thus returning to themselves the profits which would otherwise go into private pockets. Thus they become their own shopkeepers. Carry the principle into the realms of production, and there is created a vast body of workers employing their own labour, and forming, as Lord Rosebery once told a co-operative audience, 'a state within a state.' . . . This is a great ideal, and one which may be impeded by many difficulties. Only by keeping noble aims before us can we attain very great heights. Therefore, let us not lower the tone of co-operation by unduly seeking after self, remembering that only by continual sacrifice of personal ambition and personal feeling to the common good can progress be maintained."

I now turn to the twelfth number (June, 1897) to see how this programme has been fulfilled. The cover, besides advertisements relating solely to the paper itself or the Stratford Society, has those of

the Agricultural and Horticultural Association, the Co-operative Insurance Company, the Kettering Boot and Shoe and Kettering Clothing Co-operative Societies, Leicester Co-operative Boot and Shoe Manufacturing Society and Co-operative Hosiery Manufacturing Society, Burnley Self-Help Society, Thames Ditton Co-operative Cocoa and Chocolate Makers, Higham Ferrers Boot and Shoe Productive Society, Norwich Co-operative Boot and Shoe Manufacturing Society, Airedale Co-operative Worsted Manufacturing Society, Northamptonshire Productive Society, Paisley Co-operative Manufacturing Society, Keighley Ironworks Society, Hebden Bridge Fustian Manufacturing Society ; also "What to read," a list of books in the Canning Town Library, which should prove of interest and value to members. The eight pages of the number open with a page on "News and Notions," in which the editor refers to critics who ask for stories, for studies in shorthand, for lectures in vulgar fractions, for a column of clippings from *Tit Bits*, declining their request. "This is a co-operative organ ; we deal only with co-operative matters, leaving fiction to the proper channels, and arithmetic to the schools." A column "At the Seaside" is followed by a prize essay on "The Duty of Employees," with the adjudicator's remarks ; directions for "The Garden in June;" a "Co-operator's Calendar" for the month ; half a column on a branch about to be opened in Leyton, another on the quarterly meeting of the society ; over a column extracted from a paper by Mr. Openshaw on "Co-operative Production;" a column and a half on "White Slaves at Work in English Towns," from Mr. R. H. Sherard's *White Slaves of England* ; half a column on the celebration of the amalgamation of the Beckton Society with the Stratford one as a branch of the latter ; about a page on the Women's Guild and the formation of the Children's Guild ; nearly a page on "Co-operation in Kettering," the last page being devoted to "Our Letter-box."

I think it will be seen that a paper like the Stratford *Co-operator* is no mere local advertisement sheet for a society, but a real organ of co-operation. That it has proved a successful one is shown by the fact that it has been found worth while to reprint past numbers, the educational committee offering to send packets of their "*Co-operative* reprints to all who will distribute, say fifty, among their friends." I may mention that the short editorials, headed "Brown Studies," are specially noteworthy.

It might be tedious to dwell at greater length on the special characteristics of the various sheets before me. Note, however, a valuable business feature of the city of Perth *Co-operative Pioneer*, in the list

of the number of the society's members, with the amount standing to their credit in the share ledgers on December 4, 1897, thus affording to each member the means of checking his account without disclosure to others. A couple of hundred numbers are given each month, and I observe that, out of the four hundred in the two *Pioneers* before me, for October and December, 1897, thirteen show over £100 standing to the member's credit, the maximum held being £553 11s. 5d., followed by £371 14s. 2d., £279 18s. 2d., £253 11s. 5d., £231 9s. 9d., and £204 11s. 5d.

A few words must also be given to the youngest of these local sheets, *Comradeship*, the first number of which, for October, 1897, tells us that it will seek to unfold the aims and work, the aspirations and daily life, of ten thousand men and women in Woolwich, Plumstead, Charlton, and Erith. It will hold up before them the "love of comrades," which inspired the earliest pioneers of co-operation; it will cherish the first dawning of that "love of city for city, and land for land," which is the watchword of the new International Co-operation and its pioneers to-day. The number is largely occupied with education, and contains, amongst other things, "Notes for Co-operators," a correspondence on the "Engineers' Lock-out," a report of the opening of the Charlton branch of the Royal Arsenal Society, "A Co-operator at Oxford," and "The Perth Congress."

Now it must not be supposed that the twelve papers I have named represent the whole of the local co-operative press. On the contrary, there is every reason to believe that they form but a fraction of it. In the Stratford *Co-operator* for June, 1897, the editor speaks of knowing "scores of local records." If we limit the scores to two, and the average circulation to 3000, which was that of the Stratford *Co-operator* at Christmas last (the Plymouth *Record*, it will be remembered, claims 5000), we shall come to a total circulation of 120,000—a figure which, I am convinced, is far within the mark, and which surely represents no inconsiderable amount of influence. Of course now and then a fighter falls out of the ranks, like the Dalziel *Record*, or, strange to say, the *Metropolitan Co-operator*, which became extinct in December last, after an existence of a quarter of a century. But when superadded to the circulation of the *Co-operative News*, of the *Scottish Co-operator*, and of *Labour Co-partnership*, that of these local sheets affords surely some evidence that co-operation is not yet a "failure."

Could these local papers not do something more—take a step further in co-operation—federate? Why should they not, following what has now become a common practice, divide their sheet between matter of

general interest to co-operators and matter of local interest, the former being printed at common cost for insertion in all the papers belonging to the federation? A saving of expense might thus be accompanied by a raising of the staple.

J. M. LUDLOW.

CO-OPERATION IN GERMANY.—There are hostile forces at work, obstructing the progress of co-operation in Germany, but on the whole Dr. Crüger has an encouraging account to give of the advance made in 1896. The hostile forces referred to are, on the one hand, open opposition and, on the other, concealed corruption. The traders are pretty constantly up in arms against their inconvenient rival, and apart from that, the Governments, faithful to Prince Bismarck's early policy, worry the co-operative associations of such kinds as they do not favour—that is, all those which are in their organization based upon self-help,—and punish them by heavy taxes, one of which, pointed specifically against supply societies, has from its plain object and partial effect come to be popularly nicknamed the "Strangling Tax." The concealed corruption complained of has likewise the various Governments for its authors. It consists in the propagation of State-supported, therefore altogether factitious, co-operation, which, instead of educating people to greater independence, enchains them in helpless dependence—but is understood to make very useful and trustworthy voters of them. Alike in France and in Germany this abuse is growing apace, to such an extent that it deserves to be noticed. We read glowing accounts of the amazing spread of co-operation, more particularly of the agricultural description, and our co-operative papers are apt to be led away by the familiar name into believing that all this co-operation is genuine. However, very much of it is bogus co-operation, which only serves to give genuine co-operation a bad name, while seriously reducing its number of recruits, encroached upon by this official "conscription." Dr. Crüger gives some interesting data as to the amounts placed at the disposal of servile co-operation by various Governments, and shows how many of the vaunted State-subsidized societies exist only in name, doing actually no business, and how many have to be wound up after a brief life, leaving us to conjecture how much pseudo-co-operation is practised by the number of societies fattening on the millions allowed them in subsidies and credits by Governments.

This caution being premised, it may be stated that, according to Dr. Crüger's admirably compiled statistics, the number of co-operative associations in existence in Germany at the end of May last was 14,842, as compared with only 13,005 at the corresponding date of 1896. The

majority of these, 9,417, as compared with 8,069, were banking associations of various types ; 1469, as compared with 1400, supply societies ; 165, as compared with 132, co-operative building societies ; 3315, as compared with 2956, agricultural societies of some description or other —dairies, sale, work or purchase societies ; 89, as compared with 79, industrial purchase or common work societies ; 68, as compared with 56, industrial common sale societies ; 172, as compared with 129, industrial productive societies ; and 207, as compared with 184, societies of a promiscuous or nondescript character. The advance of co-operation has indeed been striking. Taking banking societies only, we find that since 1889 they have increased from 2988 to 9417. The membership of 8000 of those now existing is estimated at 1,430,000. Of that number 951,000 are members of Schulze-Delitzsch associations, which are, generally speaking, altogether the largest, comprising on an average 500 members each, but in individual cases up to as many as 12,153. That is the figure for the Co-operative Bank of Augsburg. Far from becoming more united, German co-operative bodies have within the last few years split up still further. The number of distinct federations has now grown to eighteen. Stimulated by the facilities offered to them by the State-endowed Central Bank, which disposes of a million of State-granted money for the benefit of co-operators, but which may deal only with Central banks, the number of institutions of that sort, not all of them very large, has risen to thirty-five. The various Governments have of late shown themselves active in the promotion of co-operative banks worked in connection with artisans' guilds. One of these is antisemitic. Dr. Crüger does not approve of such purely class banks, for the plausible reason that artisans working by themselves are not likely to carry sufficient money into any bank to suffice for satisfying their credit requirements. Schulze-Delitzsch was for a mixture of classes, with wants and means dovetailing into one another. The co-operative banks have had a good year. Of their number 1055, making returns, having among them 527,765 members, have lent out in all about £83,684,400, a little more than half being new business, the remainder renewals. From a new inquiry undertaken, it is shown that about 66 per cent. of the members enrolled borrow money from their several banks. The 1055 banks reporting had about £6,500,000 share capital, in addition to about £2,000,000 reserve, and about £25,800,000 loan capital. On the share capital they had earned dividend at an average rate of 4·95 per cent. The dividend paid is advisedly being steadily lowered, concurrently with a similar reduction in the rate of interest charged, which now, generally speaking, stands at 5 to 6 per cent. The co-operative banks have recently taken to issuing cheques,

and this business is steadily increasing and becoming popular. The management expenses stand at about 20 per cent. of gross profits, and about 70 per cent. of net. The supply societies can scarcely compare with the British. There are 468, reporting a total membership of 321,186, about £400,000 share and £365,000 loan capital, in addition to £180,000 reserve, £4,580,000 sales and £467,000 net profits. Of the two wholesale societies the one at Bremen has followed the example of the French at Charenton, and gone into liquidation. But the Hamburg society is flourishing, having increased its sales from £94,000 in 1895 to £163,000 in 1896. The productive societies are for the most part languishing. But agricultural co-operation is making great strides forwards, and Dr. Crüger expresses himself particularly well pleased with the advance made by building societies. These are genuinely co-operative. One type, representing at present the minority of such societies, makes it its business to erect suitable buildings for its members, of which it sells the freehold on easy terms. The other type, more largely represented, works on the lines of our Artisans' Dwellings Company in setting up dwellings which it only lets, at easy rents, to its members.

Altogether, in spite of some dark touches, the picture which Dr. Crüger gives of German co-operation is distinctly cheering.

HENRY W. WOLFF.

AGRICULTURAL CO-OPERATION IN AUSTRIA.¹—Co-operation is at the present time making surprising strides abroad in its application to agriculture. In all countries of the Continent agriculturists, small and great, seem bent upon combining their forces for common effort; and co-operative societies, co-operative agricultural banks, agricultural syndicates and kindred institutions appear to be starting from the ground like legions under the foot of a Pompey. In the very clearly written books here noticed, Herr Stefan Richter, who is one of the most active leaders of this particular movement in Bohemia, shows how rapidly and to what considerable extent agricultural co-operation has been developed, not only in the German-Czech kingdom, with which he is specifically connected, but generally in the whole Cisleithian portion of the Hapsburg empire.

¹ *Böhmen's Credit-Organisationen.* By STEFAN RICHTER. [648 pp. Demy 8vo. With Map. Calve. Prague, 1897.]

Die Landwirthschaftliche Berufsgenossenschaft und das Rentengut. By STEFAN RICHTER. [123 pp. Demy 8vo. Calve. Prague, 1898.]

Die Landarbeiter Frage. By STEFAN RICHTER. [47 pp. Demy 8vo. Calve. Prague, 1898.]

Apart from giving interesting statistical information and demonstrating the substantial services which co-operation has in its power to render to agriculture, Herr Richter's books, by the remarkable clearness of their language, also serve a decidedly useful purpose in making plain a fact which is still far too little appreciated in this country, namely, that foreign agricultural co-operation, which we have habitually held up to us as a praiseworthy example worth following, is, in a large number of instances, not by any means co-operation such as we understand it. It is really only another form of "agrarianism," an attempt to unite all who have an interest in agriculture for the purpose of furthering the *class interests* of agriculturists, just as the West India sugar planters have "co-operated" to obtain a Government grant, and as the Independent Labour Party have combined to champion against others the class interests of labour. Our own co-operation, which is essentially altruistic and intended to raise the condition of all who are poor, doing good to them without encroaching upon the rights and interests of any one, and which has thus far carefully avoided politics and every kind of pugnacity, and has rather resisted than practised the vindication of class interests, is obviously of an entirely different stamp from this egotistical combination, in which co-operation, sound in itself and evidently fruitful of good effects, ranks as one item only, and that not the principal one. We want to take the praises which we hear sung of the good work done abroad by agricultural syndicates, by co-operative associations founded and subsidized by the State, by State-endowed central banks placed at the service of agriculture, with this qualifying grain of salt: it is not co-operation of our sort, not pure self-help combination; it looks for grants and privileges which must be paid for by others. Herr Richter, who is an ardent champion of and most active worker for the Raiffeisen system, himself admits that he favours that system because it aims at doing good specifically to the peasant class. I love it because in its purest form it is so genuinely altruistic, and what we should call Christian-Socialist. But having proved itself remarkably effective, and, in consequence, highly popular, it is now very much abused for egotistical, class, and political purposes. Seeing how frankly such aims have come to be admitted abroad, no warning can be too strongly addressed to those who wish to apply the system in this country.

Apart from the class-political character which Austrian agricultural co-operation has taken, one cannot help feeling grateful for the progress which Herr Richter shows it to have everywhere made. He counts up no less than 1251 Raiffeisen Banks existing in nine states or provinces

of Cisleithania, all of them grown up since 1888. Their statistics are not complete, even with regard to membership. But there can be no doubt that they represent a large constituency, and do a vast amount of good in every way, by common purchase and sale, by cattle insurance, and by the support of co-operative dairies, of societies which lend out agricultural implements to members, etc., as well as by making advances in money at a low rate of interest. The Raiffeisen associations of Austria depend to a larger extent than Raiffeisen himself approved upon share capital, and even allow members to take several shares. On the other hand, it deserves to be said to their credit that their leaders show much less of that egotistical narrow-mindedness which has in Germany split up their host into ever so many rival bands, each following its own Paul or Apollos, and execrating the others. The success which Austrian co-operation has attained should be an encouragement to agriculturists elsewhere to go and do likewise.

HENRY W. WOLFF.

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

THE *Report of the West India Royal Commission with Appendix A and B* (Command Paper 8655, fol., 180 pp., 2s. 8d.), *Appendix C, vol. i.* (C. 8656, fol., 213 pp., 1s. 9d.), *vol. ii.* (C. 8657, fol., 365 pp., 3s.), and *vol. iii.* (C. 8669, fol., 430 pp., 3s. 5d.), was issued in October, but considerations of space prevented notice being taken of it in the January *Review*. This is not unfortunate, as the present quarter seems to have been as barren of blue books of economic interest as any that have elapsed since the *Review* was founded in 1891. The Commission, which consisted of Sir H. W. Norman, Sir Edward Grey, and Sir David Barbour, acted with unusual celerity. Appointed on December 22, 1896, they began to take evidence on December 31st, left Southampton on January 13th, landed in British Guiana on the 27th; visited Grenada, St. Vincent, Barbados, Trinidad, Tobago, St. Lucia, Dominica, Montserrat, Antigua, St. Kitts-Nevis, and Jamaica; left Jamaica on April 14th for New York, and arrived back in Liverpool on May 1st. Who would not be a Royal Commissioner?

They begin their report with a statement which, considering the numerous appeals to the benevolence of the public for persons in various parts of the world, should furnish matter for serious reflection. There is, it appears, "no likelihood of any permanent deficiency of the bare necessities of existence for the labouring classes." It is not, as Adam Smith might have said, the necessities, but the conveniences of life which may be lacking. In order that the people may be able to buy clothes and other manufactured goods, and also such articles of food as can only be produced in temperate climates, it is necessary that the colonies should export sugar, coffee, cocoa, logwood, nutmeg, and fruit, such as bananas, oranges, cocoanuts, and pineapples. Jamaica, indeed, has found means to do without exporting more than £300,000 worth of sugar, rum, and molasses, while she exports £1,400,000 worth of other things, and British Guiana exports £460,000 of gold; but the rest of the colonies are still so devoted

to the sugar cane that the sugar exports (including rum and molasses) of the whole of the British West Indies and British Guiana amount to £3,251,000, and the exports of all other things to only £2,855,000. In the last sixteen years the price of sugar imported into the United Kingdom has fallen over 50 per cent., and the amount produced in the West Indies has remained stationary. It is only natural that the West Indians, in face of these facts, should call loudly for help to the *deus ex machinâ* of finance, the British Chancellor of the Exchequer. Of course they want the British public to be compelled to leave off buying "bounty-fed" beetroot sugar and buy West Indian instead—at a price satisfactory to the sellers. This consummation is, of course, to be brought about by "countervailing duties." But considering the amount of the bounties, and the extent of the British market as compared with the market of the world, the majority of the Commissioners have well-founded doubts whether the imposition of countervailing duties on sugar on which a bounty has been paid, would have any great effect in raising the price of the West Indian product. The British public, which, rather than the sugar, is the "bounty fed" article, consumes an immense quantity of sugar per head, but it forms a declining proportion of the civilized population of the world, and cannot control prices. After all, the enormous internal taxation of sugar, £10 a ton in Germany and £24 a ton in France, must have an influence on the price of sugar far greater than could ever be possessed by duties in the United Kingdom sufficient to counterbalance the £4 10s. bounty paid by France, and the £1 5s. paid by Germany. Sir Henry Norman dissents from his colleagues' view, but seems to have no better argument than that the present bounties may perhaps be increased.

Regarding the possible effects of countervailing duties as trifling, the Commissioners are able to devote their attention to more important matters. They recommend peasant proprietorship, the establishment of a department of economic botany, the improvement of education, and an effective steamship service to New York. These things cost money; but the bounty-fed British public will pay for all.

The *Report of the Departmental Committee on Defective and Epileptic Children: vol. i., The Report* (C. 8746, fol., 46 pp., 5d.) ; *vol. ii., Minutes of Evidence, etc.* (C. 8747, fol., 287 pp., 2s. 3d.), recommends legislation making it the duty of school authorities to provide for the education in special classes, of children who, without being imbecile, are yet, "by reason of mental or physical defect, incapable of receiving proper benefit from the instruction in ordinary schools." If the proposals of the Committee, which are worked out

in considerable detail, are adopted, a great advance in humanity will be made; but doubtless the expense will be a stumbling-block to many who are willing to vote for ten times as much in other directions.

The *First Report of the Committee appointed by the President of the Local Government Board and the Chancellor of the Exchequer to inquire into the Sufficiency of the Clerical Staff and Secretariat of the Local Government Board, etc.* (C. 8731, fol., 13 pp., 2d.), unfolds a terrible tale of arrears, which will not surprise town clerks and others who have had the misfortune to have dealings with the office in question. The arrear was "greatest in the Legal Department." One part of the work of the Public Health Department was "several months" behind, and another "many months;" the architect had had cases with him for "nearly three months." A "hundred cases for local inquiries" had accumulated, and so on. Considerable permanent additions to the staff are recommended, and also the temporary engagement of twelve second-class clerks for twelve months to clear off the arrears.

How much the office needs reform is shown by the fact that the *Annual Local Taxation Returns for 1895-6, Part III.* (House of Commons Paper, 1897, No. 373—i., fol., 4s. 3d.), issued exactly two years after the end of the period to which they relate, still persist in the extraordinary attempt to arrange rural districts in "registration counties," though they overlap registration counties and do not overlap administrative counties. Thus Culham, Crowmarsh, and Goring, which are wholly in administrative Oxfordshire, appear as parts of Berkshire, while Oxfordshire is presented in exchange with Hambleden and Long Crendon, which are wholly in Bucks.; Farnborough, which is wholly in Warwickshire; and Middleton Cheney, which is wholly in Northamptonshire. With these additions and subtractions, Oxfordshire does not coincide with registration Oxfordshire, so that the Local Government Board succeeds in constructing a fourth county in addition to the three already existing—the ancient or parliamentary, the "county-council" or administrative, and the registration or union county. It is understood that this fourth county will disappear from the next returns, but why it was ever created will always remain a mystery.

The *Supplement to the 55th Annual Report of the Registrar-General of Births, Deaths, and Marriages in England, Part II.* (C. 8503, 8vo, 260 pp., 1s. 6d.), completes the work of which the first instalment was noticed in the *Economic Review* for October, 1896 (pp. 544, 545), by investigating the comparative mortality of persons engaged in different occupations. It begins with what will perhaps

surprise the man in the street—a proof that the mortality of the unoccupied is enormously greater than that of the occupied. But we must be careful not to confuse the cause with the effect. In this workaday world sickness and infirmity are the great causes of people being unoccupied, so that to say that the unoccupied have a greater mortality than the occupied is very like saying that the unhealthy have a greater mortality than the healthy. A great many of the comparisons of the total mortality of different occupations are more or less vitiated by some kind of selection. An unhealthy occupation may easily have a lower rate of mortality than a healthy one if by some one of many processes only strong persons are admitted into it, and, conversely, an occupation which does not possess unhealthy features may have a high mortality if it attracts the weak or persons inclined to an evil life. Consequently the advice to follow certain occupations rather than others, with which the newspaper press occasionally amuses its readers, is often misleading. More important than the totals in this case are the details which show to what diseases the different occupations render those who follow them particularly liable. For, after all, there are few industries which, like that which produces enamelled advertisements, the world could very well do without; so that the practical object of investigating the diseases of occupations is, not to find out which of them are the most healthy, but to find out what disease is the particular enemy of each occupation, so that so far as possible its causes may be removed. The same kind of remark applies to the comparison of the mortality of small areas. Dr. Tatham has pilloried his old town by selecting Manchester township as the type to contrast with "selected healthy districts." The fact that in the old part of Manchester the expectation of life is fifteen years less than in England and Wales at large and twenty-two and a half less than in the selected healthy districts, does not necessarily prove that Manchester township is insalubrious considered as a locality. Doubtless it is so, but nothing like so much so as is suggested by the figures. It is a sink to which the weak and miserable and vicious gravitate, and from which the strong and able fly. The mortality of a slum is high largely from the same reason as the mortality of a hospital is high. Experts walk more or less warily among these pitfalls, but the layman is apt to be misled, and it would be well if the experts would occasionally condescend to elementary exposition of their subject.

The *Report of the Chief Labour Correspondent of the Board of Trade on Trade Unions for 1896* (C. 8644, 8vo, 332 pp., 1s. 4d.), like the report on strikes, has been reduced to octavo size, and is much smaller than its predecessors. The abandonment of the attempt to

collect the financial details from all the little unions has led to an increase of information as to membership; and this has been carried back for some years, so that we are told the total membership in 1892 was 1,461,800; 1893, 1,453,692; 1894, 1,424,941; 1895, 1,397,889; and 1896, 1,487,562;—all, it must be admitted, somewhat paltry numbers considering the tall talk often indulged in on the subject. The department estimates the number of men “belonging to the classes from which trade unionists are drawn” at 7,000,000; and this is but a small minority of the adult male population. From a corporate financial point of view, 1896 was a favourable year: the income of the hundred selected trade unions was £1,675,645, and their expenditure only £1,239,230. The accumulated funds stood at the end of the year at £2,168,989.

The *Report of the Labour Department for 1896-7 with Abstract of Labour Statistics* (C. 8642, 8vo, 238 pp., 1s.) contains the usual summary of information collected by the department. The diagram showing the percentage of unemployed members of certain trade unions now covers ten years, 1889-1896. The regularity of the curve is remarkable. It descends steadily from 1887 to 1889 and 1890, which are equal, then rises steadily to 1893, and falls again from 1893 to 1896. The great trouble of 1897, however, will probably introduce an important irregularity.

EDWIN CANNAN.

REVIEWS.

LECTURES ON THE PRINCIPLES OF LOCAL GOVERNMENT, delivered at the London School of Economics, Lent Term, 1897. By GEORGE LAURENCE GOMME, F.S.A., Statistical Officer of the London County Council. [x., 267 pp. 8vo. Constable. Westminster, 1897.]

The influence of the F.S.A. and that of the statistical officer of the London County Council are both plainly visible in this book. Mr. Gomme, F.S.A., tells us that the localities of local government are "local properly so called, consisting of counties, boroughs, and parishes; and quasi-local, consisting of poor-law unions, urban and rural districts, and districts carved out arbitrarily for special purposes. . . . The localities which are now known as counties, boroughs, and parishes are of almost unknown antiquity. They are not the creation of an Act of Parliament, . . . they are in a sense older than the State itself." Mr. Gomme, the antiquary, evidently does not think much of the nine-year-old county of London, the area of which was carved out arbitrarily for the special purpose of bills of mortality, and with some modification adopted for the special purposes of a common authority for main drainage and such-like works forty or fifty years ago. But we turn over the page, and lo ! Mr. Gomme, the statistical officer, has grasped the pen : "Act of Parliament and charter have . . . altered the constitution of the governing authority of the localities, added new counties and new boroughs modelled upon the old examples, but, throughout all changes, counties, boroughs, and parishes have never ceased to appear upon the map of England as localities which share independently in the government of the country." Thus, by an ingenious turn of phrase, the quondam district of the Metropolitan Board of Works, now the county of London, is classified as "not the creation of an Act of Parliament," and as "of almost unknown antiquity." The F.S.A. and the statistical officer unite in the worship of their common idol, the County : "I confess," they say, "to a singular pride in the fact that the capital of the British Empire is not a borough, not a city, but a county." There is nothing

to be proud of. The boundaries of the true social and economic town of London, like those of almost all towns, are difficult to lay down. But they are on most sides considerably beyond the boundaries of the county of London. Smaller London is called a county, because the centre was supine and selfish and too powerful to be meddled with by Parliament. Had Londoners been as capable of looking after their own interests as the inhabitants of the centre and suburbs of most other growing English towns, "London" in local government would now mean a real city of over five million inhabitants, which would take its proper place at the head of English cities and boroughs, instead of denoting either an effete corporation, good for nothing except to provide gross hospitality, or an amorphous and anomalous county with smaller powers and privileges than the last-admitted county borough which has just succeeded in scraping together the necessary fifty thousand inhabitants. If precedents had been properly read, the authors of the Local Government Act of 1888 would have called the present county the "Liberty of the Palace of Westminster."

I do not feel competent to follow Mr. Gomme in his interesting excursion into the early history of the borough and the parish. I read it and other dissertations on the same subject with a profound scepticism, perhaps born of invincible ignorance. Mr. Gomme, like other writers, lays down as a general rule the identity of rural parishes with the pre-existing townships. Now, possibly a majority of these parishes may have been identical with the old townships, but I think a very slight study of the census of 1831, would make any one doubt whether the majority was considerable. The parish boundaries generally coincided with some already existing boundary of property or jurisdiction, but whole parishes did not coincide with whole townships universally enough in 1831 to allow it to be said that such coincidence was the general rule a thousand years before. The case of Caversfield is instructive. It is usual to say that till 1844 this parish, which is situated immediately north of the parish of Bicester, Oxfordshire, was a detached part of Buckinghamshire. But the censuses of 1821 and 1831 tell us that a portion of the township of Market End, Bicester, was comprised in the parish of Caversfield, and this part was in Oxfordshire. Thus, it appears that in the opinion of the overseers the parish of Bicester did not coincide with the two townships Market End and King's End, Bicester, and that the parish of Caversfield did not coincide with Caversfield township. Yet we should have known nothing of this, if it had not been for the accident of Caversfield belonging to Buckinghamshire. Assimilation would have quietly taken place, and we should have assumed with the census of 1841

that the boundaries were always identical. There may have been thousands of unrecorded assimilations.

In contradistinction to the rural parishes, Mr. Gomme tells us the borough parishes, by which he means the parishes in the oldest known areas of the boroughs, were never townships, but are simply ecclesiastical districts. He tries to prove this by pointing out that "the parishes of the city of York or of the city of London and other cities and boroughs, are known only by the name of the church to which they belong"—"St. Mary," "St. Peter," and so on, instead of Kensington, Islington, and the rest. But surely this is not much to rely upon. Outside boroughs the ecclesiastical name often prevails over the civil when the church is a very prominent object. Any one who has once looked over the wide plain where the Stour and Avon unite will have no difficulty in telling why Twynham became Christchurch. It was for the same reason that has led sailors to rechristen Hengisbury Head by the name of Christchurch Head. So in Oxford a manor where the church was rather out of the way has retained its name Holywell, while the manor of Brugset, of which the church was the chief and perhaps the only building visible to the Oxford citizen as he approached across the East Bridge, became "St. Clement's" centuries before it was included in the city. The fact that the old borough parishes now have civil powers Mr. Gomme endeavours to explain thus : "In consequence of the poor-law legislation of Elizabeth's reign, these parishes shared in the new duties imposed upon parishes generally, and thus started a civil jurisdiction which they did not possess originally." But in Ipswich the borough appointed collectors and assessors in each parish for the purpose of raising money for borough purposes long before it occurred to Henry VIII. to make Church and State work together for the relief of the poor. We require a great deal more to make us believe in Mr. Gomme's sharp distinction between the rural and borough parishes.

Counties, boroughs, and parishes, as we have seen, according to Mr. Gomme, are the only true localities. All other districts are only "quasi-localities." A locality, according to the dictionaries and the common usage of the English language, is a place; but Mr. Gomme says it is a place formed by the common interests of the inhabitants, and by some mighty effort he has convinced himself that counties, boroughs, and parishes, often the most palpably absurd areas that can be imagined, are always founded on common interest, and that all other local government areas have been carved out by the central government for its own convenience, and with no regard to the common interests of the localities. Mr. Gomme instances first the poor-law unions.

Now, the commissioners were doubtless wrong to disregard county and borough boundaries in the way they did, but to say they were not regarding the common interests of the localities is a complete mistake. They had to unite parishes, and they united them into what they considered the best groups. Ever after, the groups have been bound together by the common interest of rates to such an extent that to effect any sensible rearrangement is next to impossible. Whatever else may be said of the commissioners' groups, they are better groups than the surviving Gilbert Act groups, which were formed voluntarily on the basis of common interests.

Next, Mr. Gomme instances the urban and rural districts. Here "as a Londoner born," he goes altogether astray. He speaks as if both urban and rural districts were delimited "for the purpose of carrying out the general sanitary laws," and "were carved out upon no principle which depended upon the common interests of a locality. They were made out of divided parishes, out of parishes joined together, out of bits of parishes joined to bits of other parishes ; they freely cut county boundaries, although generally they were made to conform to poor-law boundaries. Called into being for the purpose of fixing a boundary within which laws applicable to the whole country were to be administered, they were determined by the principle of a central governing authority." Would any one be likely to gather from this what is the fact, namely, that the genesis of the urban and rural districts is totally different: that the urban districts carved themselves out purely on the basis of common interests pretty much as they pleased, and that the rural districts were simply the poor-law unions with the urban districts taken out, and consequently were not formed for sanitary purposes at all ? Mr. Gomme is proud of having been born in a town which a weak Government called a county because they were afraid of a rotten corporation. I am not prepared to say that I am proud of having been brought up, for the first thirteen years of my life, in a town officially called an "Improvement Act District." But I am not the least ashamed of it, and I should like Mr. Gomme to know a little about that town. Never was there a town more devoid of "locality," if being a locality is to mean being a county, borough, or parish. Not only was it not a parish or a township : it was not even a tithing, a vill, a hamlet, or a manor. The census of 1841 does not mention it even in a note. It comprised corners of two very large parishes, which were fortunately in the same union, so that the dividing line between them was of no particular importance. At first its own boundary was simply a circle drawn with a pair of compasses on a map, but extensions were made in accordance with the growth of the

place. I will venture to say that for all the time it was governed by the "Commissioners," as the ratepayers' representatives were called, that town had as great a sense of common interest, and was as vigorous in serving that interest, as any borough or parish in the kingdom. Unfortunately it and its representatives finally yielded to the desire for the supposed superior rank of the borough, and it accordingly now possesses the absurd system of accounts, the exclusion of women from the governing body, aldermen, and all the other evils which are the only things which distinguish the new boroughs (which never seem to get their own police) from other urban districts. All that Mr. Gomme's *Magna Carta*, the Local Government Act of 1888, has done for this town is to make its further extension over areas which it ought to include difficult or impossible; and all that the Act of 1894 has done for it is the minor, though very useful, service of making it a parish by itself, so that the old parish boundary has been completely got rid of.

The fact is, that the proper unit of local government in urban communities is the town, and the town in the sense of Bradshaw and the Post Office and common language. The continued existence of independent Salfords and West Hams is an outrage on the principles of local government, and this is the kind of thing which Mr. Gomme's rigid conservatism with regard to the old boundaries must necessarily tend to foster. What is needed now is bold bad men who will not hesitate to remove their neighbours' landmark.

Accuracy of statement in details is scarcely Mr. Gomme's strongest point. He says (p. 73) that the liability of the hundred for damage by riot has been transferred to the county, whereas it is transferred to the police district. On p. 123 he says that in the North of England the ancient townships are very large, and the parish only occupies a portion of a township, whereas the truth is that the parishes are very large, and include several townships. He speaks of "the abolition of the school pence in 1891," in spite of the fact that they still flourish over large and populous areas. He says the police are "under Government inspection and Government subsidy," though he knows that the exchequer contributions have had no relation to the cost of police since 1888, and that the "earmarking" of a portion of the exchequer contributions to half the cost of pay and clothing is a childish fiction of legislation. He says that none of the sixty-two administrative counties contain "an undivided number of poor-law areas" (by which he means a number of undivided poor-law areas), ignoring Cumberland and the Isle of Wight, which are exceptions to the rule. On pp. 25 and 209 he has ingenious double negatives. On p. 179 he says Henry

VIII. tried to "legalize" vagrancy, and on p. 111 he writes (or allows the printers to print) "the interdependence of the townships," when he means "independence." On the same page there is a curious statement that Banbury, up to 1803, possessed "no roads which indicated either the desire or need for intercommunication." Banbury has had half a dozen great roads leading into or out of it from time immemorial. If Mr. Gomme knew nothing of the numerous eighteenth century turnpike acts in which Banbury appears, he might have bethought him of the countless generations who have been directed to ride a-cock horse to Banbury Cross, to see a lady ride a white horse. Is "sewer" (on p. 119) a correct rendering of the law French *wall de mire*? Phillimore translates "sea-wall." The summary of early poor-law legislation on pp. 179 and 180 is mostly wrong, and this is the more inexcusable seeing that all the errors here, like some others in the book, might have been avoided by the simple process of consulting a series of lectures which was published by the School of Economics some time ago. For accurate statements about English local government it is still necessary to turn to the severe pages of Wright and Hobhouse.

However, much must be forgiven to the first writer who has managed to produce an interesting book on an important subject. I hope before long Mr. Gomme will provide us with the opportunity of reviewing his theory of local taxation. So far as can be gathered from the brief remarks in the present volume, he disagrees with the popular view (alternately accepted and denied, according to the convenience of the moment, by each of the two great political parties), and is at one with all modern economists in recognizing that both rates and the benefits derived from rates influence the value of the property in respect of which they are levied.

EDWIN CANNAN.

A SHORT HISTORY OF BRITISH COLONIAL POLICY.

By H. E. EGERTON, M.A., Barrister-at-Law. [503 pp. 8vo.
12s. 6d. Methuen. London, 1897.]

It is rather bewildering to compare the various theories which are propounded to account for that very strange phenomenon—the British Empire. The foreigner, especially if he is a Frenchman, will generally speak in laudatory terms of the pluck, enterprise, and doggedness of the English character ; but he will ascribe no small part of our success to our unscrupulous and preternaturally clever diplomacy. It is this happy combination of energy and cunning which, in the opinion of our Continental critics, secured for Britain the hegemony of the world

outside Europe. When we turn to English writers, we find a very different story. Our relations with our colonies seem to ourselves to consist in a long series of perverse blunders, some of which lost us America, while the others have been so bad that we have richly deserved to lose the rest of our dependencies. We seem, judging from our policy, to have been as anxious to limit our foreign possessions as other nations are to extend theirs. Our greatness has been thrust upon us almost against our will. On the whole, the English view of the matter seems to be nearest the truth. The greater part of Mr. Egerton's book, which is a most careful and impartial history of our colonial policy from the discovery of America till the present day, is a record of blunders on the part of the British Government, blunders due partly to a selfish desire to protect our own supposed interests in commerce, but chiefly to ignorance and supineness, and a total failure to perceive the importance of preserving the colonies to be a Greater Britain in the future. To a large extent it would seem that we owe our empire to mere luck, or to the mistakes of our rivals. We anticipated the French by about a week in Australia (p. 265); New Zealand very nearly fell to them in 1839 (p. 294); and if we pass in review the long duel between the two countries, which after a century and a half left England in possession of nearly the whole field, we shall be obliged to admit that France lost to us mainly because she had too many irons in the fire : she wished to dominate Europe as well as to found colonies, and the double task was beyond her strength. It seems impossible, unless we may take credit for a kind of unconscious statesmanship which made us wiser than we knew, to accept Seeley's theory that most of our wars with France were consciously and deliberately colonial wars. If our distant possessions had really been the predominating interest with English statesmen in the last century, we should not find such abundant evidence of apathy on the part of the Whig oligarchy towards colonial questions, nor have the spectacle of Fox calling an English victory over the revolted Americans "terrible news." It is clear that our failure to prevent the secession of the American colonies was due as much to the half-heartedness of a large section of the English nation, as to the incompetence of our generals. The war with America seems indeed to have been about equally disgraceful to both parties. It is true that England had interfered with American trade, as she interfered with Irish trade in the same period, in pursuance of a policy as stupid as it was selfish ; but it is also true that the immediate cause of the secession was that the Americans were asked to contribute a small amount towards the cost of a very expensive war which had been waged mainly on their account. The moral

of the whole business is, that it is only too easy to "cut the painter" which unites a colony to its mother country, and that when the mischief is done it can never be undone. America, at the time of the secession, was not so populous as Australia is now ; and though, as Mr. Egerton shows, the New England colonists had from the first been used to act very independently, there seems to be no reason why they should not have continued to this day within the federation of English-speaking communities, if both sides had not betrayed the future of their common nationality in the middle of the last century.

The result of the American war knocked the bottom out of the old "mercantile system," though this was not at first recognized. A period of despondency set in. "Sic vos non vobis" seemed to be a fixed historical law for colonizing nations. After 1830, however, a revived interest in the colonies is manifest, and soon fairly successful attempts at systematic colonization were made. Fewer blunders were committed in Australia than elsewhere, owing, perhaps, rather to a salutary fear of meddling than to any very acute statesmanship. But in South Africa the blunders seem to have been continuous, and to have gradually produced such a tangle of difficulties that nothing less than the "infinite patience" demanded by Sir Gordon Sprigg can avail to clear them away, and history shows that the fates are not always infinitely patient with those who throw away their chances. The years 1865-1885 saw, according to our author, the zenith and decline of *laissez aller* principles ; the last twelve years he calls "the period (not yet ended, we may hope) of Greater Britain." He thinks that the Imperial Federation League has done excellent service, both directly and indirectly, but that the difficulties in the way of a federal system are at present insuperable. He is more in favour of giving the colonies representatives on the Privy Council, and of intercolonial federations such as that which exists in the Dominion of Canada. The present outlook seems hopeful, if we can escape a coalition of great powers against us, and the new earth-hunger manifested by France and Germany certainly gives the colonies an additional reason for standing shoulder to shoulder with England.

On one point Mr. Egerton's readers will not all agree with him. He is no believer in agitations, least of all in that kind of agitation which commands itself to the "Nonconformist conscience." He considers that the emancipation of the slaves ruined the West Indian colonies, and that the result has completely falsified the prediction that the free negro would work better than the slave. Nor can he join in the self-laudation of those who recount the large sums paid in compensation. We paid conscience-money, he says, to the extent of about eight

shillings in the pound! Again, in South Africa he thinks that the missionaries, and the agitation fomented by them in favour of giving equal rights to the natives, have been at the bottom of all our trouble with the Dutch. This may be true, but mistakes in this direction have not been common in the dealings of Europeans with lower races; and the principle of equality of consideration, absurd as it must appear in dealing with savages, is the one safeguard against cruelty, rapine, and licentiousness.

Mr. Egerton is a strong imperialist, and perhaps he is a little too severe on those whom he convicts of "craven fear of being great." But his book may be cordially recommended to all who take an interest in the history of that novel and magnificent experiment in empire which is so utterly unlike all empires which preceded it, that we seem to want a new word to denote it, and which can hardly have a successor at all resembling it, if our prayer, *esto perpetua*, is not destined to be granted.

W. R. INGE.

PRINCIPES SOCIOLOGIQUES. Par CHARLES MISMER.

Deuxième Édition, revue et augmentée. [284 pp. 8vo. 5 francs.
Alcan. Paris, 1898.]

"First projected in the camp before Sebastopol, where war, destructive alike of the illusory and the conventional, held a school of philosophy, my book, before finding this, its final expression, has been lived through and thought over at length, often far from bread and near to thirst, among the most varied and contradictory surroundings." "To think and to make others think: to feed and to stimulate the intelligence of the day—that is the real aim of these *novissima verba*." "Theocracy has had its day. Metaphysics is at its last gasp. Scepticism and negation everywhere overflow." "At such a time, every man possessing an organic idea is bound to produce it for the common weal."

These are some of the opening and closing sentences of the book, whose main thesis is a demonstration of the solidarity of the universe, of the reign, in the moral and social, not less than in the physical world, of the force of gravitation, "the fundamental principle of all law because it transcends experience." "Positive philosophy is primarily the science of the cohesion of things," of the binding together of the units of society (1) in marriage, (2) in the family, (3) in the city or commune, (4) in the nation. Just as drops of water join, and by force of gravitation flow on to form the streamlet, the river, and at last the ocean, so society progresses, irresistible, obedient to the same law, and "one step more and the nation shall become humanity, for

humanity is the ocean of mankind." But there can be no cohesion of the whole unless there is first cohesion between contiguous parts ; and it follows that all social systems are bound to crumble if there is no firm union between those human units that make the pair, the family. "A State where the family is broken up and disintegrated is an edifice without strength or staying power ; it is useless to waste props and buttresses ; it must be rebuilt from the foundation, or its ruin is only a question of time." "Weakness in the State betrays weakness in the family, and it is to the family that remedies must be applied, if the State is to be saved." The author leaves us in no doubt as to the remedies that he would promptly apply. These are some amongst other measures, aimed at the reform of public morality and of private life. A law against "celibacy, true social leprosy." A law readjusting taxes in inverse ratio to the burdens of the family. A law obliging the State and industrial companies to provide dwellings for families of six persons. A law prohibiting men from following "essentially feminine professions." A law granting civil rights to women. A law forbidding marriage to persons suffering from inherited disease. The author meets the objection that such laws are contrary to or in advance of public opinion by saying that it is for "the law to create morals, not for morals to create the law."

M. Mismer is no worshipper of the idols of the market-place. His main argument cannot co-exist with any theory as to the equality of mankind ; for the force of gravitation depends for action upon inequality between bodies or units, and the action of natural laws proceeds in spite of all theory ; strong and weak must each go to his own place. Firmly persuaded of the irresistible progress and final triumph of humanity, he yet says nothing of the "sovereign people" till towards the close of his work, though it seems to be almost the only familiar topic on which, during his wide range of argument and illustration, he has not once alighted. "I did not speak of it," he says, "because in a natural state it was nowhere encountered. . . . In astronomy, in physics, in chemistry, in biology, in sociology, nothing like unto the supreme power of blind force and mere numbers is to be observed." "What is called democracy, that is to say the government of the people by itself, is nonsense." And as for universal suffrage, "after having imagined an organ" (*i.e.* the sovereign people), "it was necessary to imagine its corresponding organ."

M. Mismer would introduce drastic reforms into political life and mechanism, and would have all statesmen trained in municipal—or, rather, in communal—business, wherein he will probably find himself in agreement with a powerful school of English politicians ; though few

in this country will be found to endorse his opinion when he declares, that "in a commune everybody is known, the capacity, honour and position of every man is open as the day, sources of information are under every man's hand ; the most ignorant elector is as competent as the most enlightened."

He would reform education also, following what he takes to be the natural order of learning—the training of the senses, arithmetic or numbers, drawing, language.

Enough has been said to show that the book is fruitful of suggestions, whether of dissent or of assent, and therefore one may assume that the declared purpose of the author has been attained. His animadversions seem often to be directed against the present state of French rather than of English society ; and it would in an English review be ungracious to pass over the flattering criticisms of our manners, and of our political temper and machinery. One quotation shall suffice for the comfort of those who believe that, for an approximately good system of education, we from our island must always look across some sea.

"Instruction is only a means of which education is the end. Education alone raises the human animal to the dignity of a man, teaching him personal cleanliness, hygiene, politeness, and those moral and social duties that are indispensable to fathers of families, to citizens, and, so long as war shall rule over our international relations, to soldiers who must defend their country. In Protestant countries, instruction is directed towards this end. Anglo-Saxons tend, above all, to make of every man a gentleman in the sense of the old French word *gentilhomme*, where prefix and titles signify nothing unless they indicate a well-bred man, of high character and superior morality."

E. A. BARNETT.

ALIEN IMMIGRANTS TO ENGLAND. By W. CUNNINGHAM, D.D., Fellow of Trinity College, Cambridge. [xxii., 286 pp. 8vo. 4s. 6d. Sonnenschein. London, 1897.]

Since the Norman Conquest the stream of immigrants to this country has practically never ceased, and the influence which they have exercised has been so wide and so varied that the task of summarizing it is by no means easy. In some cases, economic causes, such as the prospect of a more prosperous career, has led men to flock to England ; in others, political or religious persecution has driven them to seek an asylum here. But in every instance the result has been the modification of our national characteristics in some important particular. Dr.

Cunningham has, therefore, wisely confined himself to showing what results may properly be ascribed to each wave of immigration—whether the planting of some institution, or the introduction of some commercial habit or industrial art. With this object he analyzes the phenomena that distinguish five distinct periods: (1) the Norman Invasion; (2) the later Middle Ages; (3) the Reformation and religious refugees; (4) the Dutch Invasion; (5) the later immigration of the Huguenots, the destitute aliens from the Palatinate, after the passing of the General Act of Naturalization, and the émigrés from France in consequence of the events of 1789–92. On the whole he has succeeded in producing a clear impression, but the mass of material at his disposal has sometimes hampered him, and here and there the work shows signs of hasty preparation. This is especially noticeable in his treatment of the Norman Invasion. To describe adequately the effect which that event had upon the whole social and political life of England is, of course, an impossibility within the narrow compass of some forty-five pages. Dr. Cunningham appears to have felt this, and to have relied in consequence upon a number of loosely connected quotations from the innumerable authorities upon the subject. It is not until he deals with the incursion of the alien merchants, and the influence they had upon our industrial organization, that he is really at home. His account then of the craft-gilds and the development of the weaving trade is full of interest.

Dr. Cunningham is more successful in describing the next great tide of immigration in the fourteenth and fifteenth centuries; its influence was mainly economic, but in that direction it was of the highest importance. Just as the foundations of our fiscal and administrative systems had been laid by the earlier immigrants, these aliens of the later Middle Ages paved the way for our industrial greatness. Dr. Cunningham brings this out very clearly in his description of the steps taken by Edward III. to draw the best skilled labour of the world into England. This country was rich in natural products, in wool and corn and coal, and efforts had been made to regulate and protect home industry, but Flanders and Gascony surpassed it in the quality of their manufactures. By encouraging new-comers, and dispersing them through different parts of the country, Edward III. may be said, as Dr. Cunningham observes, to have taken the first steps towards making England the workshop of the world.

Hitherto there had been little occasion for popular migration on purely religious grounds. The immigrants in the time of Edward III. were rapidly merged with the rest of the population; but when the religious refugees began to arrive, they usually formed separate

communities, with special religious rites and church registers, and special arrangements for providing for the relief of the poor. Attempts were made to draw them into the industrial system existing in the country, but the fact that they maintained special industrially organized colonies of their own is responsible for one of the most characteristic features of English industrial life at the present day. We are legitimately proud of our great Friendly Societies, and, referring to them, Dr. Cunningham writes : "They are a form of self-help which has proved so successful, that there is less inclination here than on the Continent to rely on State intervention and assistance ; as the results of combined industrial effort, they are a standing protest against the socialistic tendency of the Elizabethan poor-law. If English workmen are more self-reliant than their Continental brothers, it is, partly at least, because of the great benefit societies which they have built up by their own efforts. The extraordinary importance of these societies only comes into light when we remember that the trade union movement is an offshoot of the Friendly Society, and that it was only in their character of Friendly Societies that trade unions were first recognized as permissible institutions. But though the Friendly Society, with its offshoot the trade union, is characteristically English now, it is not a native institution ; it seems to have had its origin in the Elizabethan colonies of refugees. They were responsible for the maintenance of their own poor, and in their method of fulfilling this duty they set an example of organized frugality which native Englishmen began to copy in the eighteenth century. Just as the weavers of the twelfth century established associations which served as the type of the mediæval craft gild, so did the organization, which their circumstances forced upon the refugees, serve as the model on which Friendly Societies came to be formed." These colonies, moreover, had an important bearing on the political and religious changes which occurred in the seventeenth century, and which culminated in the triumph of Whig principles at the Revolution settlement.

In the chapter on "Intercourse with the Dutch," Dr. Cunningham succinctly describes the two great waves of immigration from the Netherlands in the time of Alva, and a hundred and twenty years later, on the revocation of the Edict of Nantes. The story of the reclamation of the Great Fens is particularly well told. This was the period in which regulated companies were formed for the purpose of developing a "well-ordered trade ;" upon the economic advantages and disadvantages of this system Dr. Cunningham offers some valuable remarks. From France there had been but little immigration until the proclamation of Charles II., after the Edict of June 17, 1681, in

which he expressed readiness to grant letters of denization to any of the distressed Protestants who might take refuge in England. The economic loss to France in the subsequent emigration of the Huguenots was enormous, and the gain to England correspondingly great from the character, wealth, and skill, as well as numbers, of the refugees. The collections and parliamentary grants which were made for the relief of the immediate wants of the poor amongst them will always stand out as a striking instance of national charity, and form an interesting subject of economic inquiry. It is worthy of observation that the silk industry, which was introduced by the Huguenots, was one of the last trades in which the practice of fixing rates of wages by authority survived. This regulation was removed in 1824.

Into the vexed question of the present influx of destitute aliens Dr. Cunningham does not enter, except so far as to remark that "in former times it could be generally stated what precise gift the Flemings, or Walloons, or Huguenots brought with them ; and we may fairly ask of any new-comers of the present day, what it is that they are able to do better than we can ourselves ? Unless this can be clearly answered, there is not the same industrial justification for the admission of aliens as there was ; that there may be advantages, in the elements of blood or character, which they introduce, is true enough ; though, even if advantages cannot be specified, there ought to be hesitation on the part of a nation with a history like ours, in changing from welcoming aliens to refusing to admit them." Readers of this *Review* will find the volume one that merits their close attention ; it is a mine of useful information, and will materially aid the student of social and economic problems.

JOHN C. MEDD.

NEUE GRUNDSATZE DER WOLKSWIRTHSCHAFTS-
LEHRE. Von DR. HEITZ. [340 pp. 8vo. 7 marks.
Kohlhammer. Stuttgart, 1897.]

Few things throw a clearer light upon the conditions of life in other centuries than the details of wages or labour contracts between masters and men ; and among the vanished wage contracts of the past, there is hardly one whose recovery would be more valuable to us than that which bound Humpty-Dumpty to his labourers, Words. "When I make a word do a lot of work," said he, "I always pay it extra ;" and "Alice didn't venture to ask what he paid them with." But more instructive still would have been the knowledge of what he paid them for—what was the personal service rendered him, for which the bargain was struck. Words certainly are not machine-made tools,

but labourers with a kind of animate existence ; at some time in the long period of their intercourse with men, they have received a separate being ; like Naiads who have married with mankind, they have now a soul of their own to reckon with, and if master-minds find them the best of servants, there are others who never quite rise free of their domination.

It would seem that this influence was potent over Dr. Heitz. His manner of writing shows that words, as such, have a spell over him which he cannot shake off. He is in bondage to these impalpable symbols, which, without body or sound, master the avenues of eye and ear. The expression "goods," for instance, is a bugbear to him ; it leads, he says, to a material view of things, to the conception that economic science is concerned in the last resort merely with "matter" (p. 23) : while, on the other hand, the term "force," or "energy," finds high favour, and the expression "natural forces" is to replace that of "goods," bringing with it the associated ideas of "inter-relation of forces," and "conservation of energy" (p. 25). An axiom once uttered is treated as a final fact, which stands henceforth beyond the reach of question or examination. Thus the supposition that some races are more happily endowed than others falls at once, "because it runs counter to the axiom of the innate equality of man" (p. 2) ; and again, in discussing the question of "absenteeism," two axioms are placed over against one another—(1) Landlord should be identical with cultivator ; (2) Farmer should not be at the mercy of his landlord,—and left to fight it out (p. 81).

The effect of this undue power of words over the author's mind is to create a kind of shadow world—corresponding only vaguely to the actual world—in which he observes and thinks. Instead of forming abstractions from real facts, by peeling off their accidental adjuncts, he substitutes for each reality a kind of "double"—its dimensions based on words and words only—with whose movements he is thoroughly conversant. Thus value—"an extrinsic accident or relation," as Professor Jevons calls it, of the objects of common life—is to Dr. Heitz a thing in itself, a "magnitude" which he compares with the "magnitude" of "force," and finds that it is the smaller. "Force is the whole," and value only "the part" (p. 27), since "latent or undeveloped force may exist without possessing value."

Economics, again, to the average mind represents a certain group of principles drawn from the facts observed in social life ; laws of prices, wages, and the like, which are perceived in their practical effects rather than in any ideal sphere of working : but the book before us gives an outline of Economic Science as a perfectly defined

and active being, moving with more or less of freedom among other visualized abstractions as powerful as herself. She is to be a Caryatid, "one of the strongest supports of human progress" (p. 41). Nature compels men to work, but Economy assures them a reward (p. 149); Economy has occasionally to depart from rule and measure, fitting her methods to the needs of living men (p. 249); and her great task is to labour strenuously, to "strike in" at a crisis for the maintenance of the nation's wealth (p. 27).

We might imagine the book rewritten after the delightful pattern of Mr. Walter Crane's version of the *Daily Chronicle*, the first chapter being replaced by little miniatures of households in the patriarchal, classical, and feudal age; the later ones for the most part by varied groupings of idealized figures: Money acting as a *mirror* (p. 110), but refusing to pose as a *measure* of value (p. 120); Capital generously providing for the continuity of Labour (p. 102); or Social Economy, like the Virtuous Woman, energetically guiding her household's affairs.

These, however, are impressions; what are Dr. Heitz's facts? He devotes three chapters to clearing the ground by defining preliminary conceptions. Value, economy; the State, the individual, society; property, credit, and money are passed under review before proceeding to discuss production. Then the "factors of production"—land, labour, and capital—are fully examined, especially in their relation to law; next comes a chapter on prices, and the laws which connect prices with costs; and the bridge between earning and spending having been crossed, the last three chapters are devoted to distribution and consumption of wealth. Distributed wealth is income; and income is studied under the four heads of rent, wages, interest, and earnings of management.

Instead of a detailed analysis of the book, it will be best to examine one or two of the points on which greatest stress is laid. The author's first plan, as he explains in the preface, was to write a polemical refutation of the works of the "Vienna school" in general, and Dr. von Böhm-Bawerk in particular; but he abandoned this in view of the very small circle of readers that would have been reached, and arranged his treatise on lines which should be intelligible to "cultivated readers of all classes."

The subject of demand and supply is one which the Austrian school has made especially its own, tracking out the elusive boundary of that baffling thing, public demand, until they traced it to its faint limit-line in marginal utility. Dr. Heitz, however, deals summarily with the matter. Demand is an abstract idea, supply a concrete fact; the

two can never "coincide." "By basing itself on the doctrine of demand and supply, the Vienna theory of marginal utility has put itself altogether out of court" (p. 189). "We have seen that the 'equalization of demand and supply' is useless as an axiom" (p. 193). "The idea of marginal utility as an economic factor is quite unworkable" (p. 28). But in his chapter on "The Law of Prices" one soon finds these familiar causes creeping in again, though under less definite names. Thus : "Where several traders are competing for the favour of the public, one may make a good profit, while another barely escapes loss. For, *the confession that he must cover his original outlay would ruin even a large business*,"—that is, his supply must be made to meet the demand, even at the risk of paring down profits. Again : "So long as a commodity is indispensable, consumers will buy it in spite of having to stint themselves in other directions ;" this is plain, but a curious new way is opened out of the problem : "If a substitute be provided, the consumers will use it and refuse the original commodity, nor will a fall in price blind them as to the object of their choice." Consumers, it appears, are "capables de tout ;" but the case against demand and supply is hardly made out.

Perhaps it will always be difficult for the English mind to understand the predilection of German savants for such an abstract fact as the origin of interest. Böhm-Bawerk's great work on the subject is fascinating as a byway of history—but why raise the question ? "Interest is there, and we must make shift with it" is the general feeling ; but a feeling no less general is the wonder why interest continues to fall, and whether it will ultimately fall below the horizon. Dr. Heitz offers an explanation. He derives interest, not from wages withheld, nor from the "fructifying power" of capital, nor yet from the mysterious action of time upon wealth—but entirely from the two sources of (1) compensation for risk, and (2) return upon savings. Of these the first is by far the larger share, and has gone on diminishing as the progress of society tended to minimize risks ; but this part can never entirely disappear, while the fraction which represents savings must remain, and thus it will be impossible that interest should sink to the vanishing point. Besides, it has (like all the abstract beings in this book) a "great task"—that of spreading wealth among all classes of the population ; and with this task no financial measures should rashly interfere (pp. 273–283).

Several sections, both in the earlier and later parts of the book, are naturally devoted to the consideration of labour. The upshot of them would seem to be briefly this : (1) that, since labour does not invariably produce value, it has not invariably a right to reward ;

(2) that the claims of capital are in harmony with, not in opposition to those of labour, since it is capital that has assured to labour (*a*) a certain degree of continuity, (*b*) an intelligent, instead of merely menial field of exercise (p. 183), and (*c*) an advance of wages before the completion of production. Thus the right of labour to possess the whole result of its exertions is hotly denied ; but, at the same time, its right to own the means of production is theoretically conceded (p. 157), and legislation is called upon to establish its natural equality with capital. Again, at the close of the chapter on "Consumption," which ends the book, the author speaks out plainly on behalf of labour, claiming for it "the same power that the capitalist classes have long enjoyed, of using its yearly incomings as a regular source of wealth"—claiming, that is, a wage high enough to provide for the years when labour will no longer be able to result in value. Will the State, or will society, assure this much to the working man ? The question is left unanswered, with the hint, merely, that such a work "can only be carried out by a people that devotes its whole strength to the fulfilment of its social mission."

One point has been left unnoticed—the suggestion made in the chapter on prices, that "services" should receive their remuneration on other than economic lines. "Mental activity" (p. 125), it was said at an earlier stage, "is not, strictly speaking, productive," and therefore should not be dealt with according to economic laws. It seems to me that this argument not only shows the author out of harmony with facts, but also marks a weak point in his position as an economist. To take the first count : why is the service rendered by a doctor less productive than that of a miller ? or that of a traffic-superintendent, than that of a bricklayer and mason ? The same laws would surely apply to both. But more serious is the second charge—the lack of scientific faith, which causes certain writers to place this or that group of facts without the pale of economics, or to declare, as Dr. Heitz does, that "it is an error to treat every economic phenomenon as a part of social economy, and regulated by its laws." It is noteworthy that only upholders of the present system make these admissions and exceptions—its opponents do not call in other causes to operate alongside of economics. Possibly the researches of the former party may have been more far-reaching than those of the reformers,—thus leading them to see where contradictions to old-established laws appear ; but it may be, too, that their diffidence comes from a feeling that these laws may have been wrongly grasped,—to a feebleness of faith which robs them of initiative power, and makes them only nibble at reform.

This mood is characteristic of the present book, but it need not be

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described as altogether a fault. If the author is not revolutionary in the reforms he suggests, he shows the lines of least resistance along which they may be worked. It is true that, while jealous of interference by "the State" (pp. 45, 62, 96), he manifests a pathetic confidence in the power of "the legislature" to oil every crank of the social machine (pp. 83, 161, 245); but his hope for the future seems to lie rather in limiting the power of that strong-limbed goddess, Economy, and bringing in other influences to rule where she once had sway. Not such, we trust, is the true way to approach her problems, but rather to study earnestly the fashion of her slow-working tools, and see if we discover among them the sharp-toothed instruments of individualism and hostility (p. 188), if these are not, at best, old out-worn weapons, which her divine strength will in due course hurl away.

Dr. Heitz's style is unequal, and far from elegant; it is, however, the style of a man accustomed to affection and respect—homages to which it is clear, from the tone of his excursions into the region of ethics, he has every claim. There is a friendly, perhaps even a filial regard in the tone which he adopts towards the Roman Church. His position as Professor of Economics at the one purely Agricultural College of Germany gives him a right to speak with emphasis on the problems of agrarian distress. The occurrence, in two passages, of the expression "sliving scale," shows that his acquaintance with the English language is of the slightest; nor does he quote any English economist later than Ricardo, until his last chapter, in which the great purveyor of economic theory is quaintly canonized under the style of "J. St. Mill." He has written 340 pages without an index; but on this point the impatient reader can only invoke the name of Carlyle!

THEODORA NUNNS.

CHILDREN UNDER THE POOR-LAW. By W. CHANCE, B.A.
[443 pp. 8vo. 7s. 6d. Sonnenschein. London, 1897.]

Mr. Chance's book would, in any case, have been a valuable contribution to poor-law literature; as an antidote and corrective to the departmental report, it appears in a good moment. By appealing to the suppressed evidence, and referring throughout to well-authenticated and unimpeachable testimony, we find here the full case stated, both with regard to barrack schools and to boarding-out, the two questions round which the most heated discussions have raged.

The book begins with an historical introductory chapter, tracing the course of action pursued by boards of guardians and Acts of Parliament towards pauper children, from the year 1834 to the present day. A

full account is given of Mrs. Nassau Senior's report, a document drawn up in 1874, but which can with advantage be studied at the present moment. Indeed, some of its recommendations are still so much in advance of the times that they remain a counsel of perfection. Succeeding chapters deal with workhouse schools, district and separate schools, the systems of cottage homes and isolated homes, the use made of public elementary schools, the boarding-out system, other systems of bringing up poor-law children, employment, after care, "ins-and-outs," suggested reforms and conclusions, with a supplementary chapter on education in poor-law schools, and various appendices.

A great number of facts are assembled to do justice to the much-assailed workhouse, district, and separate schools; and it seems impossible for a fair-minded person to resist the conclusion that, whereas they (in common with every conceivable system) must depend for their full efficiency on good administration, they amply justify their claim under given favourable circumstances to rank among the most important and beneficent activities at work on behalf of poor-law children. A caution is given, in passing, against receiving much of Miss Davenport Hill's well-known book, *The Children of the State*, without qualification or corrected knowledge, presupposing as it does that workhouse schools are in the same state as in 1841, while most of the evidence adduced against the system is prior to 1870. Even in 1877 the following important observations found their way into a local government report on workhouse schools, and it is as well to keep them in mind as a perpetual commentary on the captious and cavilling criticism that attacks so much while understanding so little : "Mr. Murray Browne justly says that no system of education had, so far as he was aware, been subjected to so severe a test as he had applied to workhouse schools; and he continues : 'Were such applied the results produced might be of an unexpected nature ; for example, out of 36 sons of gentlemen whose after-lives are known to me, six (or about 17·2 per cent.) would, I think, be considered failures if they were workhouse-bred lads. This, be it observed, is the result of the best education the world can supply. It is to be hoped that the specimens on which I have chanced have been singularly unfavourable. Again, out of 100 children educated in the national school of an agricultural parish in Gloucestershire, 18 have turned out badly. This again, it may be hoped, is an exceptional case ; but the citation will at least serve as a caution to the inexperienced not hastily to assume that the pauper 5 per cent. of failures is an abnormally high proportion.' " The industrial training given in workhouse schools has occupied much attention, and is generally admitted to be more complete

in the case of boys than of girls. For boys in these schools Dr. Clutterbuck advocates especially gardening and farming operations, drill, and carpentry ; and he conceives of the first of these in a liberal and comprehensive spirit, considering it to embrace "some knowledge of the chemistry of soils, the principles of the rotation of crops, the management of trees, drainage, irrigation, manures, etc." Could this be widely done, a class of skilled farm labourers should arise, who would help to solve the difficulty experienced in all country regions, of procuring labour ; and it might not unreasonably be hoped that an educated interest in their calling would check in them the fatal desire to plunge into the large towns, which has denuded the land of agricultural labourers. A division of opinion exists upon the desirability of bringing up these boys to tailoring and shoemaking, the occupations being thought by some too sedentary for lads who are often of a deficient *physique*. Needlework, cooking, and housework are now taught to girls in most, if not all schools ; and in those of country unions sometimes milking and butter-making as well. With regard to the teaching given in the district schools, Mr. Chance tells us that ability of a very high order is constantly forthcoming for the work needed. In 1894 a local government board report states that "quite recently a lady who passed in honours at Girton College has been appointed as assistant-schoolmistress at one of the largest schools." Mr. Chance further says : "Many of the pupil teachers in the schools have themselves received their education there. They are promoted from the ranks for good conduct and ability, and most of them do well. Some of them pass into college, and become board-school teachers. If the education given in the schools was as defective as the departmental committee's report described it to be, such a thing would be "impossible."

In the chapter on cottage and isolated homes much interesting information is given ; and it would appear from it that, where their establishment is possible, cottage homes are, on the whole, the most satisfactory in working in the long run ; the reasons why they compare favourably with an extension of the boarding-out system being given later. That they lay a firm hold on the affections of the children is shown by the fact quoted with regard to the Banstead Schools, where, during the three years ending Michaelmas, 1895, the visits of old scholars had averaged 120 per year. "It does not seem, therefore," says Mr. Chance, "that these boys and girls considered themselves affected by the 'pauper taint,' since evidently they were not ashamed of their connection with the schools." The nature of a cottage-home is not always fully understood, and we therefore quote Mr. Chance's

description at length : "The cottage-homes system was introduced in order to remedy certain defects which seemed to be ineradicably implanted in the so-called 'barrack' schools. The idea was taken from Mettray. The system is sometimes confused with that of detached or isolated homes, and of boarding-out, but it has little in common with either. It is correctly described as 'a little colony of separate homes substituted for one large residential establishment.' . . . The main difference, and a most important one, between them and 'barrack' schools is that the children are housed in cottage-like buildings, each cottage being superintended by paid officers of the guardians, who act as foster-parents to the children. . . . The number of children in each cottage varies in the different homes. . . . There does not seem," he goes on to say, "any reason why, after the initial outlay of construction, etc., the cost of cottage homes should exceed that of barrack schools. But even if it should, the additional advantages gained might be considered well worth the extra expense." At the Elham Cottage Homes (Kent) "the cost of provisions, clothing, and necessaries used in the home, has been under four shillings per head weekly, being actually below the cost of their maintenance when in the workhouse." The system of isolated homes is akin to this, but with certain salient differences, the education of the children being always carried on in the national schools. They were established in order "(1) to avoid the massing together of one class of children, and the taking them away from contact with the busy world in which they would afterwards have to live and work ; and (2) to provide for those children whom it was impossible to board out." The dangers arising from the system are alleged to be as follows : "1. The difficulty of securing the necessary supervision. 2. The difficulty which one person must have in managing satisfactorily some fifteen or sixteen children of different ages and sexes. 3. The difficulty of providing adequate and efficient industrial training. 4. The possibility that the children may have to do too much housework." To send poor-law children to the board or voluntary schools is in itself productive of much good on the whole, and works well in the case of isolated homes. If, however, the children are kept in a workhouse, and sent from there, it can hardly fail to be harmful, as they are in danger of contamination and every evil influence during their leisure hours. It cannot, therefore, be encouraged, except when the children are in a separate establishment, and do not mix with the older paupers at all.

We now pass to the second great *cheval de bataille*, the boarding-out system ; and it should be observed at the outset that it is judged by Miss Mason, the greatest expert on the subject, to be "incomparably

the best of all systems, no other offering the same advantages. At the same time, no other is open to so much abuse." The advantages are enumerated by Mr. Chance as follows : "It is the nearest approach that can possibly be made to a real home life for the children. They are, as a rule, boarded out in the country ; they grow up with the family in which they are placed : they can run about freely, they are not marked out from other children of their class ; and they often, if not generally, become merged in the local population of the place where they have been brought up. Miss Mason mentions the additional advantages that 'the children learn to take care of themselves, become acquainted with the everyday details of everyday life, and work in the class to which they belong, and, above all, make friends, or at least acquaintances, before they go out into the world, upon whom they can fall back.' Then supposing a child is unable to keep its first or subsequent situations, it has a home to go to while another is being found for it, instead of having to return to the workhouse or the school. Lastly, it has the further *apparent* advantage that it is the cheapest system ; I say *apparent* because, while it undoubtedly affords the cheapest way of dealing with a child *during the time it is boarded out*, it remains to be proved whether it is cheapest in the end. But with all these advantages, it is quite capable of becoming the very worst system of dealing with poor-law children, unless it is most carefully administered. So many cases of cruelty and neglect have been discovered, and it is so easy for such cases to go undetected, that it is possible they are of more frequent occurrence than any one would imagine." Only orphans and deserted children can be boarded out ; and, since these constitute the "permanent" class, i.e. those who are not periodically withdrawn by their relations, but will best repay the care and education given them in the various schools, the system is not always viewed with favour by boards of guardians, depriving them as it does of those children who would be likely to do them the most credit. This, however, is not a consideration that will weigh heavily with those who have the "happiness of the greatest number" of children at heart. Further evidence will show whether this can be secured to an *increasing* number of children. Boarded-out children are, as is well known, placed under the supervision of boarding-out committees ; these must consist of not less than three members, one being a lady. These committees have to enter into an engagement : "(a) to find homes for a certain number of children ; (b) to visit the homes at certain intervals ; (c) to observe all the regulations prescribed by the local government board ; (d) to make periodical reports to the guardians in such matters as may be agreed upon. . . . It is by no

means easy to find either suitable homes, suitable foster-parents, or suitable persons who will take the trouble to serve on boarding-out committees. Still more difficult is it, when a committee has once been formed, to keep it going by supplying the vacancies which occur. . . . If boarding-out is to be successful, the regulations and conditions imposed by the orders must be absolutely complied with. One of the causes of its slow progress is undoubtedly connected with the labour and trouble which the necessary supervision involves. It is an excellent system of dealing with poor-law children, if great care be taken in choosing the houses, and if the supervision be adequate and thorough; but the very worst, irrespective of the choice of home, if the supervision be superficial."

Four other systems of bringing up poor-law children are mentioned—certified homes, non-certified homes, training-ships, and sending children to schools of other unions. The certified homes are institutions for the blind, deaf and dumb, convalescents, cripples, and idiots, also special industrial and training homes. All these might with advantage be multiplied. It seems on all accounts a deplorable thing that more advantage is not taken by boards of guardians, of the excellent system of training-ships for bringing up boys to the healthy and manly profession of a sailor. "The number of boys," says Mr. Chance, "who entered the Royal Navy from the *Exmouth* during 1894 was 133. The country wants more men for its navy, and we are glad to see that in Lancashire and Yorkshire, boards of guardians are discussing the question of establishing training-ships on the Mersey and on the Humber. But in the face of this remains the fact that there are nearly a hundred vacancies on the *Exmouth*, the training-ship on the Thames. The *Arethusa* and *Chichester* (Greenhithe), *Warspite* (Woolwich), *Indefatigable* (Birkenhead), *Mercury* and others are also willing to receive boys from the boards of guardians, but the poor-law authorities do not yet seem to realize the value of the institutions thus placed at their disposal." Mr. Chance concludes his remarks as follows: "There can, we think, be no doubt that boards of guardians might advantageously pay more attention than they do at present to the training of pauper boys to the sea service. . . . There are many healthy lads who come under the control of the guardians, who are just suited for a sea life, and, by getting them trained for it, Guardians will not only be serving their country by acting as recruiting sergeants for a noble service, but they will be adding to the amount of its skilled labour, for which a demand always exists. They will also insure the boys being completely depauperized."

The chapter on employment gives some very encouraging facts, and

contains some excellent recommendations. It certainly does not look as though the barrack school were as deleterious to the wits and *morale* of the children as we are often told, when we read that "boards of guardians and school managers have little difficulty in finding situations and occupations for both boys and girls on their leaving school." The emigration of children is discussed, and we quote two remarks with regard to it, which seem to invite consideration : "Although the reports on emigrated children are generally favourable at the present time, Mr. Holgate's objection seems to us to have great force. 'Why,' he says in effect, 'should we send away our best children, when they are just those who are wanted and do well at home ?'" And : "The one weak point of the present system of emigrating poor-law children seems to be that the reporting on them is inadequate. The regulations should make some better provision for this defect."

Most interesting is the portion of this chapter devoted to "Apprenticeships to the Sea Fishing Service," and here, again, the guardians seems to be supine or ignorant of the advantages awaiting the boys under their care. "I believe," says the gentleman reporting on this matter, "there are few better openings for workhouse boys than this. I wish that more boards of guardians followed the example set by the Middlesborough and Stockton boards in this matter." To insure success, it is necessary to keep a kindly supervision over the boys when on shore, their pockets swollen with their earnings. At Ramsgate, for instance, has been established "a well-equipped and kindly-managed fisher-boy's home, with the result that, in 1893, out of over a hundred and fifty apprentices, only one was sent to prison. . . . The importance of not losing this valuable mode of disposing of the rougher classes of pauper boys has induced me to enter at considerable length into an account of the system. I shall be satisfied if what has been said on the subject should be the means of inducing boards of guardians to give more attention to the supervision of the boys whom they send forth to encounter the dangers and hardships of the fine life of a fisherman." Another opening for workhouse boys is the entry into the army and navy bands. A larger proportion follow this profession than any other, "and do excellently."

After-care is shown by Mr. Chance to be not less important than training and education. A helping hand extended to boy or girl, during their first year of battling with the world, cannot be over-valued, and the lack of it at a crisis in life may nullify every previous advantage of mental and moral training. With regard to girls, the Metropolitan Association for Befriending Young Servants is the principal agency

at work to secure to them consideration and assistance ; but boys for the most part receive much less, we might even say very inadequate attention. The Lad's Union in Kensington and Chelsea seems to be doing excellent work under Mr. Lascelles ; and there are a few, but only a few homes for working boys established in London. "In no branch of poor-law work," Mr. Chance writes, "is the hearty co-operation of compulsory and voluntary effort more necessary than in that which is concerned with the question of 'after-care.'"

The despair of poor-law authorities, the *crux* of poor-law education, the sunken shoal of poor-law statistics are the children known as "ins-and-outs," i.e the children of habitual vagrants. When we learn that some of these children are taken out by their parents on an average once a month, the nature of the problem becomes evident. Mrs. Nassau Senior has some very valuable remarks on the double danger, on the one hand, of "insisting on the children of a reckless and vagrant parent following in his steps;" and, on the other, of in any way seeming "to offer a premium to parents whose habits make them least sensible of their responsibility to their children, to divest themselves of an unpleasant burden." Further legislation appears to be called for, and it is suggested that it should be invoked upon these lines : "1. That where an able-bodied pauper has been the inmate of a workhouse at intervals ranging over a period of twelve months . . . he shall be deemed an habitual pauper, and liable to be taken before a justice. 2. That he shall be liable, at the discretion of the justice, . . . to be convicted and sent to a workhouse or farm colony, . . . there to be detained and trained to a useful life during a period of not less than three months ;" the Guardians, upon such conviction, having "power to assume the control of the children."

The chapter on "Suggested Reforms," refers to some which have already been put in progress, and to some others of which we trust the same may shortly be said. The would-be reformers, who come in for some castigation, might study this portion with advantage. The theory of the "pauper taint"—a term employed only, Mr. Chance tells us, by "chattering philanthropists"—is neither known nor recognized by either the pauper or the independent classes themselves : and of the "hereditary pauper taint," it can be said that "of persons over sixteen years of age born paupers, applying on their own account for relief, the highest estimate cannot reach 1 per cent. of the total number of paupers."

This review has let Mr. Chance's book, whenever possible, speak for itself. It will have conveyed an imperfect appreciation of the

inherent value of its matter, and the clear, unbiased character of its manner, if it fails to incite to full perusal of the book all those who, whether from duty or inclination, occupy themselves with the high and far-reaching interests of children under the poor-law.

E. C. GREGORY.

THE EASTERN QUESTION. By CARL MARX. [656 pp. 8vo.
With two Maps. 10s. 6d. Sonnenschein. London, 1897.]

Kaleidoscopic views require no small art in the detail of arrangement, however, for the matter of truthfulness, they may bear a character of irresponsibility. As a series of such views the articles in this book are certainly clever, often brilliant. Marx had a supremely vivid comprehension of a situation, a dramatic faculty for centralizing concurrent issues in a striking picture, which is half the secret of the force of his analysis in *Capital*. The tragic comedy of '53 to '56 was material of the finest ready to his hand, and he made good use of it. The style is racy, even if he occasionally drops into metaphors at which an "effete and bloodless academicism" would shy. The sketches of the debates in the English parliament, of the singular Vienna Note, and, above all, of Continental diplomatic manœuvring, are as fine pieces of political journalism as have been written.

But unfortunately the writer started with certain very strong prejudices which often vitiate his inferences. Marx seems, indeed, to have caught, beside the accent, something of American recklessness of political partisanship. The Aberdeen ministry was certainly a quite "impossible" contrivance for vigorous action; but Marx's interpretation of its weakness is inadmissible. He argues (in letter 10) from the reported interview between Baron Brunnow and Clarendon early in '53, that Aberdeen, Clarendon, and Palmerston were in collusion with Russia; and the supposition is confirmed when applied to interpret their past pacific utterances, and later by the disclosure of the Czar's famous memorandum of 1844. The inference enables him to give a highly coloured picture of the dilatory conduct of the cabinet, but it leads him hopelessly astray. There is no doubt that Aberdeen allowed himself to be easily convinced of the Czar's pacific intentions, and that he clung to this belief even after the occupation of the Principalities. But there is not a shred of evidence to prove the treachery that Marx so lightly assumes. The Brunnow affair does not prove it: the interpretation of that is supplied by the letter of Lord Russell to Nicholas early in '53, according to which the pacific members of the cabinet were willing to admit a certain vague protectorate of Russia over the Christians of Turkey in accordance with

an interpretation of the seventh clause of the treaty of 1774. The interpretation in question has since been generally thought impossible, but has been upheld by Mr. Gladstone, and is certainly defensible; at any rate it was held by the majority of the Aberdeen ministry. But if there could be any doubt about the Brunnow affair, there can be none as to the Czar's memorandum. That the ministry had never taken it to mean any such partition of Turkey as Nicholas intended is conclusively shown by the vigorous reply of Russell to the Czar's urgent request, in '53, for the conclusion of definite arrangements in respect of the "sick man's" possessions. Had the English cabinet been in collusion with Russia, nothing could have been more easily effected than such a partition at that time.

The charge as against Aberdeen and Clarendon is untenable, but as levelled at Palmerston it is grotesque. If anything is certain in the politics of the time, it is that Palmerston never wavered in his antagonism to or distrust of Russia from the first. He had made up his mind that war was inevitable, and realizing that the half might under the circumstances be more than the whole, rather than endanger the position he loyally supported his colleagues until his resignation and recall to office in December '53, on the tacit understanding of a more vigorous action. With this bias, however, Marx interprets Palmerston's acts with fierce consistency. His resignation was to benefit Russia by reducing the English ministry to a nullity, and to secure his own return to power on the fall of the coalition. But if so he would hardly have returned to office within ten days, and that still in a subordinate position. The move was well calculated to effect what it did; it forced the ministry to take a decided line.

Again, the expedition to the Crimea in '54 was, according to Marx, ordered by Palmerston just at the moment when it would prevent the military operations determined on by Austria being carried out. In point of fact, the expedition was decided on between Napoleon and Palmerston, almost certainly on the initiative of the former, as the most effective method of striking a blow at Russia. Austria had shown herself hesitating from first to last, and her concentration of troops on the Galician frontier was no more than a threat. Had the allies waited for Austria to act, Sebastopol could have been put in a state of defence, as it was a month or so later owing to the dilatory management of the war. But there is no need to particularize further. Marx reads the whole business in the light of an "Anglo-Gallo-Russian alliance," which enables him to give a highly coloured, though mostly false, account of the story, culminating in the letters on the fall of Kars. These labour to prove that that event "was planned from the

beginning and systematically carried out to the end by Palmerston," the whole object of the powers engaged being to "lose, not to gain time," and to hamper the action of Turkey, and so give Russia every opportunity to gain her objects. If this be the true reading of the story, the Treaty of Paris, which succeeded in tying the hands of Russia in precisely those points where her aggression was formidable, is the most singular anti-climax and contradiction in history.

But besides being a "collection of historical writings," the book is intended by the editors to throw a light on the Eastern question of the present. I venture to doubt any considerable service from it in this respect. There are some clever articles on the "Traditional Policy of Russia," but their spirit is too uncompromising and uncritical. Russia never appears as anything but the cunning bully whose aggression must be resisted at all points. The dangers, both political and commercial, which were imminent if Russia should hold the Black Sea, are elaborately argued in letter 3. But there is no consideration for the other side of the question. In the event of war, Russia in command of the Black Sea would be a menace to the Mediterranean: quite true, but even with the condition unfulfilled, it is highly doubtful if this could be prevented. Nor can it be supposed possible, even if it could be shown to be reasonable, permanently to prevent the Black Sea becoming, to all intents and purposes, Russian water. "Aggression" in Europe has been stopped at least for some time to come by the independence of the Danubian principalities, though Panslavism has a future as Marx indicated. The best articles in the book are certainly those dealing with the relative politics of Austria and Russia. But in respect to the present Eastern question the book could only have the undesirable effect of resuscitating the old "Russian scare" which seems to have possessed even Marx's clear head in the fifties.

But it is unfair to attribute mere panic to Marx. There were, in fact, two strong "appercipient masses" in his consciousness round which all other ideas grouped themselves—Russian aggression and the Revolution. He hated and dreaded the first because it was the antithesis of the second. And it is clear from the despatches of the time that the fear of '48 was very much alive in the minds of statesmen. In Marx's view the cabinets of Europe were paralyzed in their dealings with Russia by the consciousness that they stood between the devil and the deep sea. Marx understood the "Sixth power" as well as any man of his time, though his anticipation of its immediate resurrection was not fulfilled. In truth the spirit of '48 was a composite of forces such as Nationalism, Liberalism, and Socialism,

which have since separated to a great extent and followed each its own line. Local upheavals have occurred time after time since that date in Europe ; but for the decisive struggle, not of one year but of many, we must look as much to the predictions of *Capital* as to those of the *Eastern Question*.

C. F. A. HORE.

AN ESSAY ON VALUE, WITH A SHORT ACCOUNT OF AMERICAN CURRENCY. By JOHN BORDEN. [232 pp. Crown 8vo. Rand, McNally. Chicago, 1897.]

The student of economic theory finds in the term "value" a subject hard at first to grasp, and harder still in its varied applications. It is a subject also which, in many cases, is not directly explained in the text-books, though it necessarily underlies most of their contents, and therefore one around which there is often some confusion and vagueness. The present book does not make the matter any clearer ; it follows the usual line as regards definition of theoretic value, and is perhaps written chiefly with the object of applying this reasoning to present problems of currency.

The classification used is not satisfactory, e.g. the headings—Utility, Use-value, Relative-, Exchange-, Market-, Natural-, Money-value—necessitate much repetition, as it is obvious that they cannot be treated entirely apart from each other. Also there seems no reason why all explanation should not be simply grouped under the usual terms, Utility ; Exchange Value ; Money Value or Price ; then again under Market Value, and Normal Value. On such a point, a rational classification is of more importance than economic writers usually acknowledge, and a simplification of Professor Marshall's exhaustive analysis of value would be most acceptable.

But the present author not only fails to put his matter into better form, but is also evidently unfamiliar with Professor Marshall's work. He quotes freely from Ricardo, and from J. S. Mill, with comments upon their conclusions ; and these comments contain much that is sound criticism, in spite of their limited scope. Mr. Borden especially emphasizes the inequalities among men in their economic functions. This is the obvious objection raised to Ricardo's reasoning, and one which, during late years, has been constantly repeated ; but it is not uninstructive to consider the many ways in which inequalities of persons and of materials influence exchange. The examples given here are often extremely suggestive ; they also serve to bring out the second of Mr. Borden's main ideas, viz. the futility of Socialism. This is referred to with some sarcasm in different parts of the book, but the

subject is not followed up ; while in all cases Socialism is mentioned, not in an actual or historical sense, but as if it were one gigantic scheme.

What one might call the third characteristic idea of the work is the importance, in exchange, of protection of property by law. This is mentioned several times, as if to imply that it is a matter often overlooked ; whereas it is usually considered enough, in dealing with economic problems, to include risk among conditions of value, without entering upon a side issue.

The last, and perhaps the chief conclusion of the author, is the case against bimetallism. In fact, he finally leaves the discussion of the theory of value to give a brief history of the American currency. On this point his knowledge is apparently fuller than on economic theory, and his quotations are of wider range. His argument seems chiefly to rest upon the maxim that "bad money drives out good," and therefore that, if in any country a nominal value is given by law to silver higher than that which it has under free economic conditions, silver will drive gold out of circulation in that country. He considers almost exclusively the American point of view, and dismisses international bimetallism as impossible.

It will thus be understood that Mr. Borden's little work is of greater interest than at first appears. The very attempt to base arguments concerning a debated question upon a foundation of pure economic theory presents the best method of examining such questions, and the one most likely to lead to sound conclusions. Unfortunately the first part of the book is not convincing, owing to deficient arrangement ; while the author's lapses into crude quotations and sarcasm do not recommend his style. The latter part of the book also, though certainly based upon fuller knowledge, is abrupt, and leaves an unfinished impression.

M. W. WHELPTON.

SOCIALISTES ANGLAIS. Par PIERRE VERHAEGEN, Avocat à la Cour d'Appel de Gand. [374 pp. 12mo. Engelcke. Gand, 1898.]

M. Verhaegen's work—written, it would seem, as a thesis for a doctor's degree at the Louvain school of political and social science—may be read with profit as a fairly comprehensive and, on the whole, impartial sketch of the subject. The Socialism it deals with is that of the present only, Owen being dismissed in little more than a page ; nor is it, indeed, easy to see what precise meaning the author attributes to the term. But an enumeration of the chapters—"Origins of the

Socialist Movement in England," "The Social Democratic Federation," "The Fabian Society," "Socialism and the Trade Unions," "The Independent Labour Party," "John Burns, Member of the English Parliament," "The Anarchists," "The Communism of William Morris," "The Christian Socialists," "The Partisans of Land Naturalization," "Municipal Socialism," and "Conclusion," will show that the field is fairly covered. The writer is struck by the "extreme diversity which, on this side of the Channel, characterizes . . . aspirations towards the general reformation of society." "Properly speaking there is no English Socialism;" the only distinct currents of opinion are those of the "revolutionaries" and of the "evolutionists." Probably the same thing might be said of Socialism in every other country.

The author has, on the whole, seriously endeavoured to obtain his materials at first hand from the works of leaders in the various groups he treats of, or from their conversation. The Christian Socialists are, perhaps, those with whom he has least sympathy, and of whose proceedings he is most imperfectly informed. The early Christian Socialist movement was not contemporary with Marxian influence in England, but preceded it by years. Although headed by two clergymen, it was not a clerical movement, nor chiefly composed of young clergymen, but was mainly lay in its composition. There never was in those days any "Christian Socialist Society," but simply a "Society for Promoting Working-men's Associations," which afterwards changed its name to that of "Association for Promoting Industrial and Provident Societies." In a word, M. Verhaegen has read back into the movement of 1850 much of the "Christian Social Union" of to-day.¹

J. M. LUDLOW.

LE CONCOURS DES CAISSES D'ÉPARGNE AU CRÉDIT AGRICOLE. Ouvrage Couronné par l'Académie des Sciences Morales et Politiques. Par EUGÈNE ROSTAND. [278 pp. 8vo. 6 francs. Guillaumin. Paris, 1897.]

How to deal with the savings banks has become rather an urgent question in the three industrial countries in which the State has constituted itself sole recipient and guardian of the people's savings, and, having been over greedy in claiming all, now finds that it has swallowed very much more than it can digest. Those three countries are : The United Kingdom, France, and Belgium. We lay by, in savings banks alone—not counting building, friendly, co-operative societies, and the like—at the rate of about £10,000,000 a year. That is more than the

¹ I may observe that I cannot accept as entirely accurate M. Verhaegen's account of a conversation with myself, which I did not expect to be reproduced in print.

Chancellor of the Exchequer knows what to do with, and a year ago he threatened depositors with a reduction of interest and possibly a lowering of maximum limit—that is, with a qualified prohibition of saving. In justification of this questionable policy, which answers to the Chinese practice of confining a woman's foot in a leaden shoe, in order that it may not grow to its natural size, two specious pleas were put forward, both of which have been proved to be ill-founded. The one was, that the Treasury was making a loss—while it has still £1,600,000 of profit laid up. The other, that the savings banks were being abused for the hoarding of money in comparatively large sums. The Post-master General's latest report shows that more than 90 per cent. of the deposits do not exceed £50. In what effectively deterrent way a lowering of interest acts, M. Rostand makes clear in this book, alleging a dropping off to the extent of about £8,000,000 in one year in French saving, owing to the reduction made by the law of 1895. Obviously, what the Treasury wants to do in the matter is, not to stop the supply and discourage thrift, but to provide new outlets for the accumulating savings.

The author of the book here under review, who is President of the second or third largest savings bank in France, has made himself a name as an indefatigable and outspoken apostle of freedom in the management of savings banks. In the present book, which has obtained the French Academy prize, he reviews the practices allowed to, and even urged upon, savings banks in countries in which the savings banks do not wear a State livery, above all in Germany, Italy, and Switzerland. In Germany not only the bank managers, but also the Government, regard it as one of the principal duties of savings banks to circulate the money which they first collect, for profitable employment among the public, more particularly in lending on mortgage, and in placing considerable sums at the disposal of co-operative banks and building societies, to be employed in fructifying personal credit or in the construction of working-men's dwellings. Very much good is being done in this respect in foreign countries of which embarrassed Downing Street never dreams. M. Rostand's arguments want to be well thought over in this country. Though we have succeeded last year in warding off the blow threatened at our eight millions of depositors, the year 1903, when our Consuls will drop down to 2½ per cent., is bound to bring us a reduction of savings bank interest. We ought, therefore, to study new methods of employment before that critical time comes upon us—employment which may possess the double merit of benefiting our savers and making our savings banks far more useful as a stimulus to agriculture and industry than they are at present.

HENRY W. WOLFF.

MONEY IN THE WRONG PLACE.

A LONDON newspaper, which is fond of bringing forward questions of the day in a form calculated to strike the imagination, some years ago suggested to a number of well-known philanthropists the attractive proposition, "If I were a millionaire," with a view to extracting from them opinions as to the most advisable use to which the possession of millionaire resources might be put. The thought underlying the hypothesis manifestly was this, that our social needs of to-day, in this growing, bustling, propagating world of ours, have come greatly to exceed the measure of those moderate resources which used to suffice for relieving want, housing the houseless, or procuring employment for the idle. Everything has become big. Workmen strike or are locked out, not by the hundred, but by the hundred of thousands. "Out of work" means "out of work" in such numbers that finding relief in other employment becomes extremely difficult. To shelter our poor we have had to replace the old-fashioned row of cottages by huge Peabody buildings, or else by working-men's "towns," such as the Artisans' Dwellings Company sets up, one of which alone will hold thirteen thousand inhabitants. We want, indeed, "millions" nowadays, if we are to do any good. Well, as it happens, the millions are there. They are, as Lord Salisbury stated some years ago, "overflowing in the coffers of the bankers," so inconveniently abundant that "you cannot get money for them." They are, in the shape of savings banks' balances, causing the most serious embarrassment and trouble to Chancellors of the Exchequer, who began crying out, when they stood at only £90,000,000—that is, more than ten years ago; at the present time they stand at nearly double that figure—that they do not want any more of this Danaans'

bounty. How is it, then, that these two excesses, of need on the one hand, and abundance on the other, cannot be made to meet at the point at which they would beneficially balance one another? Is that economic paradise, in which the valleys of want are to be exalted and the mountains of hampering excess laid low, altogether unattainable?

Savings banks' deposits may, in this country, well be taken as the typical specimen of inconvenient accumulations of money in want of employment, because they are certainly the largest, the most uncalled-for, and the most loudly clamouring for relief. In other countries, where different systems have been pursued, it is not at the point of savings banks that the economic shoe pinches. But that only means that there is pressure of the same sort elsewhere.

Time was when our savings banks were quasi-charitable institutions, like coal and blanket clubs, in which well-meaning people took the risk of loss upon themselves, in order to stimulate thrift among the poor, realizing that thrift is the root of all economic virtues and the parent of some moral virtues besides. In due course Parliament was brought to understand the value of thrift as an element of national well-being, and generously offered to take charge of savings banks' moneys as a matter of favour, something like a public grant, probably involving expense, which was in those days considered justifiable, and which, something like thirty years ago, even the late Mr. Gladstone has been heard to vindicate. The State offered, and, in point of fact, paid, the savings banks a higher interest than it could really afford, and felt satisfied that it got value for its money in the progressive improvement of the condition of the people. Nobody nowadays thinks of asking for, or even defending or excusing, such benefaction. It is, indeed, an abuse of exactly the opposite nature which we now have to guard against. Nobody, from Lamb's hypothetical Chinaman discovering the savouriness of "roast pig" downward, ever tasted of anything toothsome without desiring to have more. The State soon found that the savings banks' balances constituted a most convenient fund to employ on

emergency for its own purposes, as an unavowed loan, obtained under peculiarly favourable circumstances. And it thirsted for more. "Nemo repente fuit cupidissimus." Crumb by crumb, by gradual, but none the less very substantial encroachments, the State succeeded in making its own slice of the cake to be shared larger and larger, until at last it possessed the whole for itself. To an administration frequently in want of money the temptation presented under the circumstances may well have proved irresistible. After, under the Acts of 1861 and 1863, the Treasury had claimed all savings banks receipts for itself, constituting itself, in the late Mr Gladstone's words, the "banker" of those banks, it kept tightening its grasp, until by successive turns of the screw it reduced the savings banks to utter impotence, and made itself absolute master of their funds. Beginning with forbidding trustee banks to allow such additional interest above the Post-office rate as more economical management would in some cases have enabled them to pay, it ended by taking from them the right even to make loans to rate-levying public authorities—having already ruled Colonial securities out of court, and cut down those "special investments" on which, as the present Chief Registrar of Friendly Societies deposed before the Committee of Inquiry of 1888 and 1889, there never appears to have been a loss made. And at the present time, investment in Consols, Treasury Bills, and the like, effected through the National Debt Commissioners, remains the one and only employment open for savings banks moneys.

We find that, under similar conditions, precisely the same thing has happened, by the same stages, oddly enough at very much the same periods, in France, until the *Caisse des Dépôts et Consignations*, which is practically the French counterpart to our National Debt Commissioners, has secured the entire custody of the savings banks' deposits for itself—to pour the same into the State exchequer, and enable ambitious Governments (so it is rumoured) to embark upon great enterprises, like the conquests of Ton-kin, Dahomey, and Madagascar, without taking the public too fully into the secret of their costliness.

The condition of such State custodianship has, in Great

Britain as in France, as a matter of course, taken a shape which is bound to entail occasional losses, beginning with what the late Lord Frederick Cavendish appropriately christened the "original sin," which was cleared off by a convenient arrangement in 1877. For such losses the savings banks cannot in justice be held responsible, as has been conclusively shown in Parliament. Moreover, whatever the losses may have amounted to, they have, on the admission of both the late Mr. Gladstone and the late Lord Iddesleigh, been made up for "ten times over" by the direct gain which the possession of such colossal funds secured to the Government, when carrying out large and profitable financial transactions, such as repeated conversions of debt. Since 1877 there has, generally speaking, not been a penny of loss. Quite the reverse. The Government has pocketed £1,600,000 of savings banks' money, which ought to have remained to the credit of the savings banks, as a reserve, to be drawn upon in the event of subsequent deficiencies—of which, so it should be borne in mind, the Government, in 1877, when submitting its proposals, deliberately elected to take the risk. It volunteered, in the late Mr. Gladstone's words of an earlier occasion, to act purely as "banker" for the savings banks, taking their money, repaying it, and dealing with it on its own responsibility. Two years ago there was a trifling loss on the savings bank account—once more not owing to any fault of the savings banks themselves. The "banker" had—under his own proposals, believed to be for the best—found himself compelled to purchase Consols (the only investment allowed by himself) at a high price, and sell at a lower. The loss did not amount to more than about £20,000—one-eightieth of the surplus previously pocketed. Nevertheless, the Chancellor of the Exchequer raised a great outcry, and made an excuse of the deficiency to plead for a sudden termination of the Contract of 1877—with £1,580,000 standing to his debit¹—advocating,

¹ An official return prepared by the Post-office shows that in the twenty years, 1876 to 1895, the Post-office savings banks have never once made a loss, and have yielded in all a net profit of £1,598,768, which has, in pursuance of Act 40, Vict. c. 13, s. 14, been regularly paid into the Exchequer. The trustee savings banks had, according to a similar return, likewise official, since the year 1880, when,

with the support of Lombard Street, and all that is capitalist in the country and does not require savings banks, to reduce the rate of interest paid on poor folks' money and lower the permissible maximum of deposits—which had been only two or three years before practically raised, with the most beneficial results. The arguments advanced in justification of such proposals were soon shown to be utterly wanting in foundation. The Postmaster-General, in his next official Report, wholly refuted the principal one, which was to the effect that the savings banks were being improperly taken advantage of by rich people for storing their treasure. Over 90 per cent. of the savings banks' balances were proved to be under £50 each. What a lowering of the maximum limit means, even when unaccompanied by a reduction of interest, we have since had occasion to learn from the experience of France, which, in 1895, lowered its maximum, and, in 1896, lost something like £8,000,000 of new deposits—a serious blow struck at the cause of thrift. We did not in this country actually proceed to the same lengths. For in the nick of time a successful agitation caused the Treasury to pause, and the Bill reported to be already ready for launching was accordingly quietly left in its pigeon-hole. However, that means, in truth, nothing but a respite gained. For, in 1903, Consols are to come down from $2\frac{1}{4}$ to $2\frac{1}{2}$ per cent., and, since there is under the present official interpretation of the law nothing but Consols to invest savings banks' funds in, savings banks' interest will certainly have to

under Act 43 & 44 Vict. c. 36, an annuity was created (expiring in 1908) to extinguish the deficiency of £3,573,405 then standing to their debit, made up to 1895 a loss of £9890 in fifteen years. This left the Treasury exactly £1,588,878 to the good out of the administration of savings banks' money. The loss occasioned in 1895–96, which made the Chancellor of the Exchequer and the *Times* cry out that the savings banks were being conducted at a loss, amounted to £3791 in respect of the Post-office savings banks, and £15,847 in respect of the trustee banks, £19,638 in all (in addition to £10,513 to be debited to the Friendly Societies), leaving the Treasury still £1,569,240 in pocket on this account. In every other country that sum would have been treated as a reserve fund, for the benefit of the savings banks, to cover any deficiency which might occur. The contention made here is that before interest on deposits is reduced to the prejudice of depositors, on the ground that "loss" is incurred, that £1,569,240, which was taken from poor people's pockets, should be accounted for to their benefit.

come down, even if it is found that there are still Consols to invest money in at what the *Times* has rightly termed "famine price," which price itself is the result, as the *Times* correctly adds, of "savings banks' purchases."

There are good grounds, then, for considering rather seriously the present arrangement with regard to savings banks' moneys, and its utility and national convenience. The Government appear firmly persuaded that it is the best of all possible arrangements. So one is compelled to judge from the fact that the Chancellor of the Exchequer, though periodically crying out in Parliament in apparent despair at the increasingly embarrassing hypertrophy of thrift, nevertheless, at the same time, in his orders issued through the National Debt Commissioners, of whom he is the head, unceasingly makes further and further demands for savings banks' money, and has taken from the savings banks even the last shred of liberty that they retained, forbidding, as has been stated, trustee banks to invest certain surplus moneys in specific loans to harbour boards, river commissioners, and other rate-levying bodies—really the best investment conceivable, and distinctly approved by the present Speaker, as counsel, and understood to be approved also by Lords Herschell and Macnaghten—in order that the dog-in-the-manger of Downing Street may have, not only all the meat, but even the last fragment of bone and offal, all to himself, though avowedly unable to digest what he has already gorged himself with.

Wherefore does the Treasury carry on this fierce, unrelenting warfare against the harmless trustee savings banks, the pioneers of the movement, in Scotland still its best champions and its most thrifty leaders? Why is that self-satisfied, self-congratulatory chuckling to be heard, whenever one more trustee bank, losing courage under persistent worrying and badgering, consents in despair to close its doors? And why are great trustee banks, like that of Glasgow, a model institution in its way, and its smaller sister establishment of Bradford, persecuted in that employment of their "special investments" which the late Sir A. Spearman, not a mean authority,

particularly pressed upon them, till, as the one means of escape from intolerable nagging, they take refuge under the Companies Act, and set up their overflow institutions by their side under that measure, which enables them to snap their fingers at the National Debt Commissioners, who thus, as the result of their persecution, lose the very prize to make quite sure of which they resorted to such severe methods?

Trustee banks, no doubt, want to be kept under control. There are bad ones among them, and there are weak ones. Moreover, nobody would for a moment plead for the abolition of the Post Office savings banks, or refuse to recognize their high merits and fail to wish to see their practice and success carried very much further. As a matter of fact, the question of employment of money is not at all a question between Post Office banks and trustee banks. The great establishment in Queen Victoria Street would itself, no doubt, be only too thankful to have further latitude allowed to it in the employment of its funds. But certainly the trustee banks do not deserve all the worrying to which they are subjected. In Scotland, where they have thus far been least interfered with, and therefore still dominate the market to the point of leaving the Post Office banks "altogether out of the race," they render the same services as the Post Office banks, at a very much lower cost. Administration expenses amount in them to 4d. per transaction, and 3s. 8d. per £100 in their hands, as compared with 6½d. per transaction, and 9s. per £100 in the Post Office. Apart from this, being institutions strongly identified with their several localities, they are found to excite much greater local interest, which means a more powerful stimulus given to thrift; they can ensure, what depositors so greatly value and what the Post Office banks fail to give—absolute secrecy; having a human, instead of a purely official, head, they can moreover give advice to people in doubt; they can, and they do, employ educational methods for the encouragement of thrift; and they could, till Government prevented them by force, give a most useful local employment to their money, where it did practical good, instead of being unprofitably laid up in the napkin of

excessively appreciating Consols. The policy of "grab," which is persistently taking their occupation away, is not founded in reason, but is purely an outcome of the monopolizing tendency of State Government.

And what is the result of this present arrangement? We keep steadily pouring £10,000,000 or £11,000,000 a year into a bag which, apart from being over-filled, is of itself shrinking at the rate of £8,000,000 a year, and to get our money into which at all we have already to pay a premium of £12 or £14 on every £100, which means, that the tax-payer is taxed to that extent. That means, again, among other things, that we are deliberately raising our own bonds, which we are by law required to redeem, against ourselves, and laboriously procuring for ourselves the privilege of redeeming £100 of our debt at the rate of £112 or £114. In Abdera that might possibly have been considered a wise policy. However, the money so heavily paid for does not always remain in the bag. Times must come when, on the occurrence of some political or financial crisis, depositors take fright and withdraw their balances. These are, as ample experience has shown, precisely the times when Consols, deliberately driven up, come down suddenly in value. And to perform our duty by depositors, we have then to sell at £90 what we first bought at £112, and so incur a fresh loss, which, once more, the tax-payer is called upon to make good. And all the time our valuable money lies practically idle, withdrawn from fructifying employment, failing to make other money—while thirsty deserts are crying out for the beneficent treasures of "If I were a millionaire:" the houseless poor, the insufficiently occupied labourer, the men and women who, for want of employment, find their way again and again into gaol and into the workhouse—for all the world as if the parables of the pounds and the talents remained still to be told.

The Chancellor of the Exchequer has publicly declared himself at a loss what to do to put matters into a better groove without detriment to the paramount consideration of safety. He would wish to remedy what is amiss, but he does not see

his way to doing so. The condition of safety stipulated for may at once be conceded to him as indispensable. But there are other considerations scarcely less important. One of these is steadiness of price—security, not only from the danger of the actual disappearance of the object in which the money is invested, but from the little less serious risk of the disappearance of a part by violent fluctuations, such as all State bonds are liable to in connection with political complications. Besides, there can be no doubt that at the present time there are many other investments absolutely as safe as Consols were when, in 1816, and 1828, and later, they were, in consideration of their comparative security, selected as the favourite investment for savings banks' money. If not an absolutely indispensable condition, it is certainly also a great desideratum that the money accumulated should, so far as is possible, be invested where it will fructify, do good, make more money, and where, accordingly, there is likely to be ample room for it, and where no necessity can arise for deliberately discouraging thrift by means of narrow limits and restrictions, and accumulation need not be viewed with that alarm which Chancellors of the Exchequer now own to feeling.

Is such employment possible? When we are in difficulty, from want of experience, we may well look about us for a little light and leading among those who have experience. The same problem has presented itself to others, and in their own way they have sought to solve it.

Our crux of excessive accumulation lies in our savings banks. France, having, in this matter, followed our lead, has the same trouble to grapple with. But, discovering into what abyss our path is bound to lead, it has been beforehand with us in seeking timely safeguards—one, a most ill-chosen one, which has brought on disappointment; the other far more promising, only unfortunately applied for the present on a truly homœopathic scale. At the same time, while lowering the maximum limit allowed for deposits, France has done, at any rate, something to disburden itself of part of the inconvenient load by encouraging its transfer to other shoulders. Under the law of

1895, trustee banks (which in France do four-fifths of the business) are allowed, at any rate, a little greater latitude in the employment of their funds.

For a more telling example of the same emancipating practice we have to look to Germany. In Germany, Austria, Italy, Switzerland, the Netherlands, Denmark, and other Continental countries, savings banks' accumulations cause finance ministers no perplexity or misgiving. The banks are free, and invest their money as they think best, with the result that there is never a complaint to be heard of the receipts being excessive. Nor is the money less safe. However, for all that, the Germans do not escape the same class of trouble which we suffer from. If their savings banks are free, they have other funds bound with almost as strong and as rigid as our own chains, accumulating money at the rate of some millions a year—the sum amassed amounts at present to about £25,000,000—to ensure the payment of old-age pensions to working folk. That money is tied up almost as tightly as our own savings bank balances, and with the same object and the same effect. It is found to be withdrawn from fructifying uses, laid up in inaccessible safes. A few loopholes for its escape into productive employment were indeed left from the beginning. It could be piloted back into active use through the cash boxes of the savings banks. And it could be laid out on mortgage—within the limits approved as safe for the investment of trust moneys. However, such relief—which would to us appear considerable—was not found sufficient in Germany, where money cannot so well be spared from active employment, and accordingly complaints became loud and general.

Another objection was this, that money was badly wanted for such purposes as the construction of working men's dwellings, but that for such employment an advance within the limits only permitted for trust moneys was shown to be of very little service, seeing that working men, building their own cottages or having them built for them, generally require more. The United States building societies advance money up to the full value of the new building, with all its fittings and fixtures

added—complete for use, all but the furniture. Germany wanted to do something of the same sort. Fortunately the law of 1889, under which those old-age pension funds are constituted, permits the Government to authorize the employment of part of their money, up to one-fourth, in the construction of labourers' dwellings, *beyond* the limit stated. In 1892 Landesrath Liebrecht decided to take advantage of this welcome clause. He argued that he would be safe in doing so, because a house, ready built, obviously represents, if it was at all judiciously constructed, a greater value than the cost of its site and of the materials and labour which have gone to raise it up; and because working men, when they accept help to secure them a house, are not likely to abandon that house without need. But one additional safeguard was necessary. The working men acquiring dwellings must group themselves together under approved rules in an association. An association, even though it be formed only with limited liability—which Dr. Liebrecht altogether favours—creates a new security over and beyond that of the real property pledged. Dr. Liebrecht observed that, as a matter of fact, landowners in Hanover are very ready to sell land for building purposes to working men's associations, even though not a penny pass between buyer and seller at the time of completing the bargain, because they find such associations to be good, trustworthy debtors, and they rely upon their building to enhance the value of the land remaining in their own hands. They have even gone the length of allowing precedence to mortgages encroaching seriously upon the value pledged to themselves. Dr. Liebrecht is favourable to workmen's associations for the purpose kept in view on other grounds. He holds strongly that whatever is done *for* working men should be done *by* working men. That, as a matter of course, presupposes combination. For, by themselves, working men can do only very little. He would not bind himself to advance money *only* to associations. But that method he decided to favour, making it a condition that the rules of each association should first be submitted to him, and that he should be allowed a full right of control, examination of accounts, etc. So strongly

was he impressed with the desirableness of creating working men's associations for the purpose that he offered to enroll his fund as a member in borrowing associations, taking up the maximum number of shares. That would give the association welcome support, and it would also subject it to salutary control. For the managers of the fund would automatically be made aware of all that was going on, and, as the association would not be likely to care to lose so useful a member, they would have the power of checking and restraining any doubtful action.

Following up the line laid down by himself, Dr. Liebrecht in 1892 applied for the extended lending powers, which after some little delay he obtained. By the 1st of October, 1893, he had advanced £34,250 for the purpose stated, sufficing for the erection of 112 houses. Since then the work has been carried on continuously, and with such good results that, as long ago as 1894, when I was making one of my rounds of inquiry abroad, the President of the Imperial Insurance Department, Dr. Bödiker, particularly called my attention to it as deserving of notice. By the 1st of January, 1897, the Hanover Old Age Pensions Fund had advanced £128,960, in addition to £104,460 lent within the limit drawn by law for trust investments, £233,420 in all, with the help of which 703 houses had been erected, comprising 1745 separate dwellings, and providing house room for about 9000 persons. Considering the shortness of the time, the newness of the practice, and the fact that country districts have thus far shown themselves strangely—and in Landesrath Liebrecht's view, most regrettably—backward in taking advantage of the opportunities offered (really only one building association has been formed outside towns), that is not bad for a district with a population of only 2,606,000. If the remaining thirty-two old-age pensions offices of Germany had done the same thing, there would now be £7,702,860 of public money invested in working-men's dwellings, providing dwelling room for 297,000 persons. As a matter of fact, only £1,070,582 has been so laid out—in addition to £1,384,212 invested in mortgages, in the construction of roads and light railways, the erection of hospitals, convalescent homes, crèches, etc.—making

a total of £2,454,794 applied to work benefiting the public, and found to be invested with perfect safety. There is never a question in all this of bad debts. And the utility of the work is generally appreciated. That £2,454,794 represents not quite 11 per cent. of the old-age pensions money. Eleven per cent. of our savings banks' money would be £19,250,000. Of the money advanced for the building of working-men's dwellings in Hanover, not a little has gone to individuals, whether employers or workmen. There were at New Year, 1897, 206 working men who had taken advantage of the opportunity (within the limits fixed for trust moneys), to the amount of £482,500. There are now somewhere about 300. There were five employers, including large joint stock companies. And there were eighteen associations, some of them formed under the German equivalent to our Companies Act, but most under the Co-operative Act. It was these which had claimed the larger part of the credit given beyond the accepted trust limit. And Landesrath Liebrecht has conceded it, up to 75, and even 96 per cent. of the value pledged. There are some associations which set up houses for letting only, they themselves retaining the freehold, and netting upon their outlay an interest, generally speaking of 5·45 per cent. There are others, which sell their houses by terminable rent charge, and realize about 5 per cent. on their outlay. The latter are the greater favourites, as will appear from the fact that they have erected 579 houses, containing 1087 separate dwellings, to only 124 houses and 658 dwellings of the other sort. Dr. Liebrecht distinctly favours the associations which eventually make the tenant his own landlord, and allows them a lower interest in proportion to the amount annually carried to the sinking fund. The interest charged, generally speaking, ranges between 3 and 3½ per cent. Dr. Liebrecht also distinctly favours detached, one-family dwellings, and abstention from taking lodgers. But in view of the comparatively high prices charged for building sites, he cannot everywhere insist upon such conditions.

Here is work done, the utility of which speaks for itself. Its light has not, accordingly, been allowed to remain long hid

under a bushel. Other old-age pensions offices are following in the footsteps of their sister of Hanover. The authorities of "circles"—the Prussian equivalent to our county and district councils—are taking the good work up, and availing themselves of the loans placed at their disposal by the overflowing pensions funds. And so the money accumulated is being put to a beneficial use. The working population are being housed. Moreover, as observed, hospitals, light railways, schools, convalescent homes, etc., are being set up on local security with the money which used to lie idle in barren investments. And so safe and so much to the general advantage does this employment appear, that not a voice is raised against it, but, on the contrary, everybody applauds and everybody seems disposed to imitate.

Here is a practice from which we, with our huge funds causing anxiety to every one who is concerned with them, might probably learn something. No doubt Dr. Liebrecht's rules of procedure would require adapting to our circumstances. Working-men's dwellings are not found to constitute altogether the same good security here as they do in Germany. Building societies know to their cost that they are apt to become depreciated and abandoned. But, then, our building societies are not by any means organizations of the same kind as the co-operative working-men's associations for building dwellings of Germany, France, and the Netherlands. Their tenants and purchasers are not their members, linked together by a strong common interest. Perhaps, if we were to make our building societies genuinely co-operative, we should have the same results as our neighbours. The main point is, that in some such way those enormous heaps of money which are now withdrawn from useful employment, which rust and canker in idleness, earning their $2\frac{1}{2}$ or $2\frac{3}{4}$ per cent., but doing no good to the community, and crowding out of those almost barren investments the money which would find its legitimate employment in them, and which for want of such investments lies so absolutely idle that, as Lord Salisbury has complained, "you cannot get money for it," might be turned to some useful

account. This money would be made to work and produce, like the good seed-corn, to which it might be compared ; it would be put into the soil, not laid up in a garner where people have to be employed to keep the rats and mice off, and to turn and sweep it, in order that it may remain sweet and clean. Like Paley's watch, that gold was evidently intended for *something*—it is wanted where it now is not ; and to get it there, to make it fruitful and multiply instead of growing into an unprofitable incubus, ought to be the study of financiers and economists.

HENRY W. WOLFF.

[Since the foregoing pages were written, striking evidence in support of the justice of the argument put forward has been supplied in Parliament by no less distinguished an authority than the Chancellor of the Exchequer, who had, in the course of the debate on the Finance Bill, on the 4th of June, to admit, in reply to questions from Sir W. Harcourt, that of the £7,661,000 appropriated last year to the redemption of debt, only £6,600,000 could be so applied, for the reason that there were no Consols obtainable in the market for the remaining £1,061,000—to quote his own words, because “it so happened that the National Debt Commissioners were unable to invest the £1,061,000 within the year.” To such a pass has the policy of allowing no investment except Consols for the growing savings banks deposits brought us !]

BUSINESS IN FUTURES.

THE heading of my paper will, I fear, not make it attractive to the general reader, and I feel great diffidence in approaching a subject which has lately been the centre of so much controversy and criticism, both on the platform and in the press; but the matter is one of such importance to the commercial life of this great trading community, that I am induced to come forward to endeavour to remove prejudices, and to put the case fairly before the readers of the *Economic Review*.

My commercial career, extending as it has done for close upon forty years, has seen the expansion of the idea of dealing in futures from very small beginnings, shortly after the close of the American Civil War, to its full development in the existing elaborate system with all its complicated machinery, which it would serve no useful purpose to describe minutely in this place; and although I have never speculated myself, my long residence in Liverpool, the centre of our vast cotton trade, in which the idea had its origin, has familiarized me with its working.

What is "business in futures"? It means the buying or selling of raw produce, either operation involving of necessity the other, for delivery at a certain future date, the limit being generally officially recognized as not exceeding six months. Thus, in January I can buy or sell any delivery up to July, and so on. The system has been adopted in all the principal commercial centres of the world, and is principally applied in connection with the huge masses of produce dealt with in the cotton, grain, and sugar markets. Each of these trades controls its own affairs through a committee, who publish daily lists of official quotations, look after the settlements, and generally endeavour to promote the proper and harmonious working of the whole.

The system has of late been severely attacked by certain

excellent but imperfectly informed persons, who profess themselves unable to see anything but evil in it. I admit that there are evils inseparable from it, but is not this true of all man's inventions? And I feel that, while the evil is apparent to all, the good inherent in the system is difficult to explain to those who are unfamiliar with commercial practice; nevertheless, let us do what we can to look dispassionately at both sides of the question.

It is alleged by some that the system has greatly increased gambling in business, to the detriment of honest traders and producers, and thus leads men to financial ruin. I have heard such arguments repeated over and over again, and, while I am unable to deny that the system does lend itself to purely speculative or gambling transactions, I unhesitatingly assert that, by systematizing operations, and insisting on strict compliance with the rules of the game, it robs them of half their danger, and greatly reduces the possibility of injury or loss to those engaged in them. In all speculative or future markets there are fixed settlements—in corn daily, in cotton or sugar weekly—when all differences have to be settled and accounts balanced in hard cash, and this institution of fixed settlements has been the greatest boon to the trading public ever invented. Speculation always has existed, but it seems to me that it is better that it should be regulated as it now is, than left to riot uncontrolled. The evils of the modern system are not to be compared to those that preceded it. Let us compare the two.

Under the old system, A. buys from B. a cargo of a thousand tons Java sugar, expected to arrive in three months, at £15 per ton. A contract is passed, and although A. does not become actually possessed of the sugar until he has paid for it, which he is not bound to do until the vessel arrives, B. has practically parted with the control, and, no matter what happens, can do nothing to protect himself. During the three months occupied in the voyage, the value of sugar falls gradually until it reaches £10; the speculative buyer A. holds on, hoping against hope for a reaction favourable to himself, while the seller B. can only look on and wait the vessel's arrival to claim his money, knowing that

A. has lost £5000, and trusting that he will be able to meet the loss. The vessel arrives, B. then finds that A. cannot pay, and he has to bear the loss himself.

Under the modern system A. buys from B. a thousand tons of beetroot sugar for delivery in three months. The price falls, but on each weekly settlement A. has to deposit in cash the equivalent of the decline in value; and when the day comes that he can put up no more money, B. can sell out against him, and, having already received his margins as the decline in price went on, either avoids any loss, or incurs the comparatively insignificant loss representing only one week's movement. In speculation the system is a protection to both parties, buyer and seller alike. It prevents them getting beyond their depth, and acts as a distinct check upon reckless speculation.

It is alleged that dealing in futures, especially "selling forward," tends to depreciate values, and so to injure the producer. Is this so? It must be remembered that there must of necessity be two parties to every bargain—buyers and sellers. If the former preponderate prices advance, and if the latter they decline. In dealings in "futures," the buyer expects that, by the date for which he buys, the value of the article he is dealing in will have advanced, which will enable him to sell, and so secure a profit; while the seller expects the value will have declined, which will enable him to buy in at a lower price than that at which he has sold, and so secure his profit. The speculative buyer is called a "Bull," and the seller a "Bear." It is the latter, the Bears, who are the bugbears of our well-meaning friends. "Surely," they say, "to sell that which is not in your possession is contrary to all righteousness, and persistent selling of this kind must seriously depreciate values to the detriment of the great producing class, or the honest trader who has paid for what he has bought." Superficially it would appear to be so, but if we look into the matter, how does it present itself? All dealings in "futures" are based upon actual produce, and a buyer can always obtain what he has bought, and a seller can be compelled to deliver. Again, all the fluctuations in values of produce, whether up or down, are the result of natural causes—either scarcity or

abundance,—and the action of the human factor merely emphasizes these movements. "Quite so," say our friends, "but the action of the Bears, by forcing prices down, must be injurious." Is this so? One is apt to forget that, in selling what he has not got, the Bear hopes to buy it back some day at a lower price, and when the day of reckoning comes, he has to do so to secure his profit (if he has been right), and so close his operation. This obligation constitutes an important element of strength in a falling market, as the repurchases made by Bears frequently arrest the decline, and not seldom actually prevent the value of an article falling as low as it would have done without this artificial support. A large "Bear account," as it is called, i.e. when sellers have been extremely in evidence, is looked upon as a most potent influence towards steadiness in prices, as Bears, from the very nature of their operations, which renders them liable to be caught, are essentially timid, and apt to rush in to cover their contracts on the slightest alarm.

As to the immorality, as some think, that is inherent in dealing in futures, this must be left to individual opinion; but I venture to think it is more imaginary than real, unless all speculation is immoral. Why should it be said that it is more immoral in a man to buy a thousand bales of cotton in January for delivery in March, if he is able to pay the loss, should there be one, although he does not intend to take up the cotton, than for him to buy a thousand bales of cotton in the same month, pay for it, and hold it on the chance of selling it again at a profit in March? Yet the former is dubbed gambling, the latter legitimate business!

It is supposed to be one of the evils of the system that it magnifies or multiplies dealings in produce to so great an extent, that the merits or demerits of the actual article are lost sight of. The American cotton crop is said to be sold every year twenty times over; and so with sugar and grain: but remember that all this volume of business is based on the very merits or demerits of the relatively small quantity of the actual produce, and that they furnish the motive power for the whole.

The system has not been invented for the purpose of fostering gambling or speculation. It has been a legitimate outcome from

the great change that has taken place in commerce during the last forty years; and without some such system it is difficult to see how the enormous business at present existing could be carried on. Few people, unless engaged in business, are aware of the vast changes, amounting almost to a revolution, that have occurred during the period referred to. The introduction and rapid multiplication of oversea telegraphy, the gradual substitution of steamers for sailing-vessels, and last, but not least, the enormous increase of railway communications in the great producing countries, have tended to bring about a condition of business that would not have been possible forty years ago. Moreover, not only has the producing power of the world been more than doubled, but this largely increased volume of produce is dealt with much more rapidly. And the fact that this can now be done with much less risk than formerly, is owing in great measure to the system of dealing in futures; indeed, without it I do not see how the altered circumstances could have been met.

Let us consider the working of the "futures" system as a proper and legitimate handmaid to commerce as it affects (*a*) the producer, (*b*) the merchant, (*c*) the banker or financial agent, (*d*) the manufacturer, and (*e*) the consumer.

(*a*) The Producer. Take the case of a cotton-planter who produces, say, five hundred bales of cotton in the season. He commences the cultivation of his plantation in early April; his outlay for labour, fertilizers, etc., is heavy, and he can look for no return in money for fully six months. Consequently, during this period, he has to obtain from his banker or agent a considerable amount of financial assistance, who, in making the required advances, naturally expects to be protected as far as possible. By the end of June the planter can make a good guess at the probable yield of cotton he may expect. He knows pretty well what his cotton will cost him per pound, and can make his calculations accordingly. Suppose the cost to work out on the estimate at $3\frac{1}{2}$ d. per lb., and on the day, say June 30th, the value of middling American cotton for October-November delivery to be 4d. per lb., that being about the time he can have his cotton marketed: the planter can sell a quantity of cotton for that

delivery equal to part or the whole of his crop at that price ($4d.$), and so secure a profit to himself of $\frac{1}{2}d.$ per lb., and at the same time give confidence to his banker in making the advances required by showing that he has secured his position. Let us follow out the transaction. In a normal state of the market the value of produce is slightly higher for each month the further removed it is from the present, such increased value representing approximately the cost of holding actual stuff—warehouse rent, interest of money, fire insurance, etc.

The planter, as I have said, expects to have a crop of five hundred bales, costing $3\frac{1}{2}d.$ The circumstances of the market are such as to promise him a good profit. Having sold through his agent an equivalent quantity of cotton, for delivery about the date he expects to market his own crop, he quietly waits events. When the time comes, supposing prices to have undergone no alteration, the planter through his agent sells his own cotton at its market value ($4d.$ per lb.), and buys back the five hundred bales sold forward. But, it may be said, why this complicated transaction? The man would have been in just the same position had he never sold "futures." Quite so; in the case I have put forward he would have been: but it might have been very different. Suppose, for certain reasons, a fall should take place of $\frac{1}{2}d.$ per lb.; what would his position be? He would have to sell his crop at $3\frac{1}{2}d.$, which would leave him no profit. But he has sold five hundred bales at $4d.$, which the fall in prices enables him to buy back at $3\frac{1}{2}d.$; so he, despite the fall, secures his profit of $\frac{1}{2}d.$ per lb.

The same process applies equally to growers of corn and sugar. The grower of beetroot in Europe is usually a poor farmer who depends largely on the capitalists for the necessary aid to enable him to purchase seed, manures, etc. He cannot sell the sugar produced for forward delivery, but the large manufacturers can do so, and by so doing they fix a basis on which they can make their contracts with the farmers, who, in their turn, are able, on the strength of such contracts, to obtain the financial assistance they require to enable them to grow their crop.

(b) *The Merchant.* The "futures" system aids the operations

of the merchant, inasmuch as by its aid he can limit his risks, secure a profit, cut a loss, and obtain the financial facilities he requires to aid him in his operations. He can limit his risk. Assume that he hears from his agents abroad that they have purchased for his account £20,000 worth of produce. He does not wish to run the risk of so large an amount, so sells futures, say, to such an extent as he may deem necessary.

He can secure a profit. Having bought a thousand bales of cotton in America for September shipment, at a cost of 4*d.* per lb., the value of similar cotton for October delivery being 4½*d.*, he sells a thousand bales for that delivery (not his own actual cotton, but a hypothetical thousand bales) at 4½*d.*, and so secures a profit of ½*d.* per lb.; selling his own cotton on arrival and buying back the thousand bales he has sold at the then market price, as whatever that may be it does not affect his position. If prices advance he has to pay more to buy back the thousand bales he has sold forward, but the value of his own cotton is equally enhanced. While, if prices decline, though his own cotton is depreciated in value, he is able to profit by the equivalent depreciation of the thousand bales he has sold forward, when he has to buy them in.

He can cut a loss. On hearing of a purchase on the other side, and finding the market going against him, he can, by selling futures, limit his loss to a comparatively trifling sum; whereas, had he to wait and see his operation through, he might have to suffer heavily.

In all these operations, it must be remembered that the values of both the actual produce and the "futures" move in equal ratio whether up or down. The adoption of these safeguards assists the merchant in obtaining financial assistance, as by showing his hand to his banker he is able to satisfy him that he is running no undue risk; and that this is a necessary precaution is easily understood, when the magnitude of the business is considered. Movements in price insignificant in themselves mean enormous sums in the aggregate; for instance, ½*d.* per lb. rise or fall in cotton means about ten millions sterling on the American crop alone!

(c) **The Banker.** The system is useful to bankers, inasmuch as it provides them with increased security for advances made against produce. The magnitude of the transactions is such that recourse to powerful banks becomes a necessity. A merchant goes to his banker, tells him that he has bought a quantity of produce, and asks him to finance it for him. "Certainly," says the banker, "as soon as you have got your hedges out;" that is to say, as soon as he has sold an equivalent amount of futures, thus limiting the risk directly for himself and indirectly for the bank. I have shown previously that the application of this system in the case of producers enables bankers to assist them also with greater security.

(d) **The Manufacturer.** In his case the benefits are very easily demonstrated. Take the instance of a cotton-spinner using three hundred bales of American cotton a week, costing, at £10 a bale, £3000. Assume cotton-spinning, under existing conditions, to be profitable. The spinner can, at the current value of yarn and cotton, contract for his whole production for the next three months at a good profit, but to do this with safety he must contract for his yarn and for the raw material simultaneously. Did he not do so, the price of yarn might fall, or that of cotton advance, and he would have missed his opportunity.

Manufacturers' capital being, as a rule, to a large extent locked up in mills and plant, they have not much loose money, and our spinner would find it next to impossible to purchase and carry the three thousand six hundred bales of cotton, costing some £36,000, which would be necessary to enable him to complete his contract and secure his profit. Here the "futures" system comes to his aid. He instructs his broker to go into the market and purchase for him twelve hundred bales a month for the three months next ensuing, and then makes his contracts for yarn without fear. If cotton advances he has bought what he requires, and so is secure of the profit on his yarn; and if it declines, well, he still has the profit he calculated on, although, of course, he would have done better by waiting. Then there is the additional advantage in a transaction such as the above, of its cheapness. The only expense is one-half per cent. brokerage, whereas if the

spinner bought the actual cotton, keeping it until required, he would incur, in addition to the brokerage, banker's commission, interest, warehouse rent, and fire insurance.

In the case of a sugar manufacturer the utility of the system is fully as apparent. He also secures his position by dealing in futures. In April and May, when he is getting his sowing done, the farmer goes to the manufacturer, who, knowing exactly what price he can sell sugar at, for October-November delivery, is able to make his contracts with confidence. He can and does sell very largely for forward delivery when there is a fair margin, and, having done so, the banks, in their turn feeling their position safe, are liberal in providing the financial facilities required.

(e) The Consumer. Even those who criticize the system adversely are, I believe, fain to admit that consumers may benefit by it, though alleging that it is at the expense of the producer; but I think I have shown this not to be the case. The real advantage to the consumer is not in an artificially created cheapness, but in the greater stability which the system imparts to markets, preventing in a great measure the violent fluctuations in prices common in old days. Now, whenever values show anything like a substantial rise, people appear as sellers; and although their action may be purely speculative, it tends to check any exaggerated appreciation; while in a falling market, in which the Bears may have been successful in their tactics, they have to come in and cover their sales, and so check an exaggerated depreciation.

Of course the operations I have described are all supposed to be taken from a normal point of view, and I need not say that there are exceptions, when the conditions of the markets are adverse to their success; but it is not necessary for my purpose to go into this part of the case.

To sum up: Do the advantages of the system outweigh its disadvantages? I have no hesitation in asserting my opinion that they do. It is said to facilitate gambling. Mayhap it does; but I think I have shown that it provides a valuable check on recklessness. It is said to injure the producer. I cannot see

that it does ; while I unhesitatingly affirm that the system is a direct assistance to commerce, in limiting risks, facilitating operations, and tending to give stability to prices ; and in my opinion it cannot interfere with the great laws governing fluctuations in prices, but can only act as subsidiary to them. Were dealings in futures to be declared illegal, the entire commercial machinery would be thrown out of gear, with results appalling to think of.

HENRY STOKES.

CO-OPERATION IN PRACTICE.

IN taking part in a discussion on a controversial subject it is important to state the writer's point of view. The following remarks are made by an individualist trader, who has a strong sympathy for the ideals of the original promoters of the co-operative movement, but who thinks that their ideals have not been carried into practice. He believes that the so-called co-operative movement, as it now exists, is open to adverse criticism from the moral standpoint in several directions; and that from the commercial point of view the stores are certainly a doubtful gain to the community.¹ Reluctantly enough the writer has returned to the old idea, that without competition progress in any direction is impossible while humanity remains so imperfect. It may be argued that, if so, individualist traders should not complain of co-operation, but should regard it simply as a new form of competition. This would be freely admitted up to the point where practical co-operation claims to be a benevolent or altruistic movement, for it is here that ordinary traders and co-operators part company. If co-operation were to divest itself of its delusive philanthropic trappings, there would be little to be said about it in any way. Co-operators might compete as much as they liked, but they would not tell us that they are regenerating society by a particular method of trading. Mr. Ludlow² has objected to the term "failure" as applied to the co-operative movement, apparently because the word might be considered to imply bankruptcy or inability to pay debts. But surely that is a hyper-criticism. Every one knows the vast and almost untouched resources under the control of the movement; and the word "failure" simply means that the moral and com-

¹ There is, of course, no reference to the large London shops known as "Stores."

² *Economic Review*, Jan., 1897.

mercial advantages at one time expected from it have not been realized. To begin with, co-operative production is at present almost a dream, so far as practice is concerned; and production, and not distribution, is the aim of co-operation. The fact is that the dearness of co-operative goods is obvious in production, because skilled persons are appealed to. The dearness of co-operative goods in distribution is not so obvious, because the uninstructed public are appealed to, and they are implored not to compare values, but to remember that, in buying their boots or their tea at the store, they are building up a new heaven on earth.

Several interesting articles have recently been published in this *Review* on the subject of co-operation, and while some of the writers admit that the high aims of the originators of the system have not been attained, others are disposed to dispute this allegation, and to hold that both morally and commercially it has been a complete success. No doubt, so far as figures are concerned, a vast total has been reached, for tens of millions of pounds of turnover in a year are gigantic sums in themselves. If, however, the store is still supposed to have any millennial aspect, it requires a strong faith to perceive it in its rather sordid exterior, while its inner or human working undoubtedly leaves much to be desired. It is proposed to consider in the following pages how far and for what reasons co-operation has fallen short of the high ideals entertained by its noble-minded pioneers. It is a trite saying that it is far easier to preach than to practise, and there can be no doubt that this is due to the fact that, while the promoters of schemes for the amelioration of society are generally men of great benevolence, and gifted with talents beyond the average, the working of their systems must be placed in the hands of people who, as is only natural, may have a greater regard for number one. It would be absurd to expect in the average store manager, or buyer, or workman the high personal character of many of those who started the co-operative system and of many of those who still support its principle.

Given an ordinary human being, poorly paid for skilled and

trying work, some other incentive than love of his kind must be found if he is to be kept up to the mark. In the ordinary trader this incentive is found in competition ; for, if he does not keep up with the times, his position is soon lost, and he very probably ends in the bankruptcy court. Now, co-operation practically excludes competitive motives altogether, and assumes that the managers and workmen in the store and its customers are not working for filthy lucre, or for themselves, but are helping, in a humble way it may be, but still in a degree, to ameliorate society. In fact, while the sale of a pound of ham or of butter by an individualist trader is a sordid operation, the same act in a store is sacrosanct, and is helping to build up a happier era on earth. Happy would it be for society if a solution even of a small portion of its woes were so easily found !

The first practical flaw in the system is the supposition that things will go on automatically without the checks imposed upon everything by nature itself. What the ideas of evolution, selection, and the survival of the fittest are meant to imply in the animal world, what the existence of evil is to our moral nature, such is competition in commerce. From the earliest indications of life upon the earth until now, the progress due to conflicting forces has ever been towards higher types. If there were no wrong and sin in the world to struggle against, the holier life would be an unreal thing, and an untried saint would be of a very inferior type to what he is, or ought to be, now. And in the far lower region of commerce and human labour, exactly the same sort of progress has taken place, under the continuous stress of competition. It would take a volume to trace the course of trade and manufacture from the times of barter up to the present day, with its perfection of the system of exchange, and its division of labour as the basal fact of progress. It would be absurd to assert that all that exists in modern trade or manufacture is for the best ; but it may be safely asserted that the present state of society is due to that competition which the co-operative societies excluded from their programme as an unclean thing. To regulate competition

and to endeavour to put an end to its abuses is one thing. To endeavour to do without it altogether is to condemn the river of life to stagnation in the absence of the wholesome winds and waves which should stir its surface.

A well-known French economist, Monsieur Yves-Guyot, has recently published a witty and able pamphlet on the "Ethics of Competition" (*La Morale de la Concurrence*). He argues that society, once controlled by religion, and then by war, is now ruled by trade. As a consequence of trade, competition comes in, and this renders every trader an involuntary philanthropist, whose labours are always tending to reduce prices, for the benefit, not of himself, but of others, and, indeed, of the world at large. The wealth of the producer or distributor consists in the well-being of his customers, and under free trade every producer is interested in seeing those about him becoming richer and richer — for how could he thrive if surrounded by poverty? If the buyer were not well off he could no longer buy. In fact, the producer is liberal enough to long for the prosperity of the whole globe. Monsieur Yves-Guyot's essay may be full of paradoxes, but still it conclusively shows the benefit of competition as a sort of compulsory benevolence involuntarily embracing the world.

These views, no doubt, are intentionally exaggerated and paradoxical, but in the main they are true, for competition is the life-blood of society and of trade. To exclude this principle, therefore, from the co-operative scheme, was a fatal error. It would have been far better to have accepted it as a law of nature, and to have tried to check and humanize it so far as was practicable. As a matter of fact, all the more recent developments of co-operation, while maintaining this principle in internal purchases and management, have tended towards a relentless competition with the shopkeeper or the merchant. Thus, while buying and wholesale distribution has continued to be non-competitive, the retail selling has been directed towards the extirpation of the individual trader as if he were a sort of social parasite.

In the earlier stages of the distributive movement each store

made its own purchases under the guidance of a committee, generally of workmen, with no knowledge of business or commodities. From want of information it was natural that they should appoint one or more of their mates as managers ; and, as they could not see that more skill was required to buy commodities or to manage men than to do a job of manual labour, the head of the store was very poorly paid. At the meeting of the Co-operative Congress in 1893, a resolution was passed—

“That in the opinion of this Congress, the hours of labour and the small remuneration paid to employees in a large number of co-operative stores are discreditable to the movement, and opposed to the principles and aims of co-operation.”

At the same meeting an influential parliamentary speaker said that the honesty of co-operative employees could not be guaranteed by assurance societies, because they were too poorly paid to be honest. The result upon the buying may be readily imagined. It was often conducted, not on the merits of the goods, but in proportion to the bribe offered, and the writers who took part in the recent newspaper correspondence on the subject of “Secret Commissions” would have found a fertile field for investigation in the methods formerly employed by many of the retail co-operative stores throughout the country. The condition of things became so notorious that a remedy became imperative. It was sought in a federation of societies which should buy only through a common head, the Co-operative Wholesale Society. It was thought that purchases through a large amalgamation like this would be far better made, as they would buy everything at first hand, in large quantities, for cash, and that the old corruption, which might in time destroy the movement, would be stamped out. To a great extent these anticipations were reasonable, and they have no doubt, to a greater or less degree, been realized in practice.

How well or how ill the Wholesale Co-operative Society buys it would, in any case, be impossible to say, in dealing with a turnover of millions a year. Burke thought it impossible to

draw an indictment against a nation, and it would be equally difficult to do so against a great society. And, indeed, the necessary materials for substantiating such a charge would be wanting; for the Wholesale price-list is a private document, only issued to the affiliated stores, and extremely difficult for an outsider to see. For the purposes of this article it has proved impossible to procure a copy, and even with a list a decision would be impracticable where hundreds of commodities and thousands of samples would have to be separately appraised. There are, however, some not altogether reassuring circumstances. A year or two back two copies of the Wholesale Society's then current lists were compared, for avowedly trade purposes, with similar lists published by private firms. The conclusions come to by those who made the investigation (in which they were personally interested as against the society) were as follows: In heavy goods in current use, which are habitually quoted in the daily papers or in other public ways, the Wholesale's prices offered good values, but in articles where valuation was more difficult, the prices appeared very high; while for things in small demand the quotations were in some cases excessive. No comparison of actual samples is possible in any case by outsiders. The bulk of the stores are "tied shops" of the Wholesale, and have to take what is sent them, unless something preposterous is done. A few large concerns are still allowed some liberty, but there is apparently a somewhat different range of quotations when competition is inevitable.

The Wholesale Society is in the habit of sending to Greece to buy large quantities of currants early in the season. This is contrary to the usual custom, as in most years prices fall almost continuously from their opening. A year or two back a number of Patras merchants, through whom the purchases had not been made, asserted that the society had not got, in particular cases, what they had bought, because old fruit had been mixed with new. This charge was referred by the society to the buyers, who asserted that it was devoid of foundation, and it is to be hoped that this was so, though an impartial tribunal was not chosen to investigate the charge.

In an entirely different direction there have been occurrences recently in high co-operative circles which have led to a good deal of outside comment. In a large body of people there must, of course, be a certain proportion of wolves masquerading in sheep's clothing. It is the case among individualist traders as well, and no care can avoid it. But when competition is the test, such people are more readily detected than when none is allowed ; while in a system of tied shops supplied by indents from a central store, which disregards ordinary trade usages as to the ways and means of buying, there must of necessity be additional difficulty.

In America much dissatisfaction prevails among the public, because a few millionnaires monopolize the distribution of articles of prime necessity, and because the protective system renders impossible competition by those outside the rings. No doubt the position of the Wholesale Co-operative Society may be a very different one, for it is asserted to be trading for the good of the nation, and not for its own benefit. Yet the parallel is close enough to suggest a common danger. If all the distributive shops in the country were under one control, it would be difficult to know whether the nation were being fairly treated or not. Moreover, while individual co-operators refuse to buy elsewhere on moral grounds, and the retail stores buy only from the central society, which has developed peculiar trading customs of its own, it is by no means certain that they get supplied on the most advantageous terms.

Recently, owing to the active co-operative propaganda against the private trader, the latter has commenced to assert himself, and to publish lists comparing his own prices with those of the stores. Several of these have been given in the pages of the *Grocer* during the past year. Another result of this antagonism may be seen in the recent deplorable attempt to boycott the movement in Scotland. Numbers of statements have been made to justify an attitude which, to all level-minded people, must appear a sad mistake. But, while these statements may not justify such a severe measure as a boycott, they go far to explain it. For instance, in a large manufacturing establishment

in the centre of Scotland, with business relations throughout the kingdom, the owners found that no men were engaged by the manager unless they first agreed to buy at the local stores. The firm thereupon took the engagement of its workpeople into its own control. Innumerable assertions are made as to the pressure exercised by foremen and others to compel workmen to become co-operators, and in many ways a persistent tyranny seems in some places to be kept up in this direction. Similar matters are often mentioned at the meetings of retail traders as reported in trade newspapers. Whether such allegations be correct or not—and they are mostly incapable of proof—they show the unfortunate feeling that has been created by the attacks on individualist traders. Surely antagonism of this kind is absolutely alien to the whole spirit of the co-operative movement, and more nearly resembles the action of Continental Socialists, than the staid English methods of work. "Live, and let live" is the true co-operative motto.

If the absence of competition is likely to lead to injurious results, figures may possibly throw some light upon them. In the year 1894, as shown by the annual blue-book, the capital of the co-operative societies of the kingdom was £13,971,211, and the money lent them £1,793,412; their turnover amounted to £35,051,826, and their net profit to £4,570,862, less £15,890 loss. In each case the figures of the wholesale societies have been deducted, and also those of the London fashionable stores,—the first so as not to get results twice over, and the second as having properly nothing to do with the question. The number of people attached to the stores as members was 1,278,207, or (reckoning five to a family) say 6,000,000 persons. The annual purchases of the nation are said to be from £1,200,000,000 to £1,500,000,000 a year. The proportion paid by 6,000,000 people would be £180,000,000; so that it appears that the members transact only some fifth part of their trade with the stores. This fact is partly accounted for in several ways. Whole branches of trade are not touched by any of the societies. For instance, none of them sells wines and spirits, and an immense number of stores only sell groceries, or groceries and provisions,

while there are very many special concerns, such as bakeries, where only one or two sorts of goods are sold. Again, the working women, while they will readily buy things for home consumption at the stores, where they consider price before quality, absolutely refuse to purchase external decorations there, for in questions of taste or fancy (as in questions of production), the co-operative movement is yet a practical failure. All this may account for the apparently small turnover of the stores in proportion to their membership—for small the turnover is though the prevalent idea is that it is gigantic.

The net profit of the co-operative societies was 13 per cent. on the turnover, and 32 per cent. on the capital. This is apart from the "divi," which is supposed to be about 11 per cent. If this be regenerating society, a large individual trader, or "universal provider," would gladly undertake the job at a third of the remuneration, would pay his workmen better, and throw in a little æstheticism as well. Moreover, this turnover was very small in proportion to the capital, and the stock represented some eight or nine months' trade—a state of things that would rapidly ruin an individualist trader.

Quite apart from all questions of good or bad buying, it is contended that such figures show that the co-operative movement, large as its figures may appear, is not a commercial success; and, indeed, mercantile men unanimously agree that the societies buy inferior goods, and sell them dearly.

In anti-co-operative circles, the reason of the size and persistence of the movement is believed to be, first, the undoubted and very worthy though mistaken feeling among the north-country workmen that the co-operative movement is bringing about a great and beneficent social improvement. The part played by this altruistic idea is, no doubt, great; but less worthy feelings probably sway a large proportion of the 1,278,207 members. Mr. Ackland has shown how alien to the ideas of the founders of co-operation is the "divi" system as at present worked. It is simply a trick—an addition to the price being made and retained by the store to be divided among the purchasers at deferred dates. In fact, the system acts as

a kind of savings bank. The women receive the "divi," and are thus able to make useful household purchases out of an accumulated fund, which might otherwise have been spent to no good purpose. Private traders can and do have similar systems, which are, in truth, by no means co-operative, unless they are made up out of real profits. It is a mistake to say that whatever is overcharged goes back to the buyer. In the first place, he is misled by a fancied concession; and in the next, the amount of the "divi" is not the whole matter. The main question is whether goods are cheaply bought to begin with.

Beyond the regular and often heavy "divis" to customers, there is the final dividend of the shareholders. The profit, as shown above, was equal to 32 per cent. on the capital, notwithstanding its slow turnover—a result which any retail trader throughout the kingdom would be delighted to secure. What distinction is there between such co-operative profits and the grasping greed of the capitalist, from which the movement was to free the world? And where are the philanthropic and educational gifts of the co-operators? These were the objects to which, in large measures, their profits were intended to be devoted by the projectors of the movement. In 1894 they amounted to £36,460 for education, or 0·8 per cent. on a profit of £4,500,000. What, if any, of the profit was devoted to charity is not stated in the official return.

It seems pretty clear that co-operative goods cannot be better bought, and that they are probably worse bought, and therefore dearer, than those of individual traders, and that the men are no better, or rather worse, paid in the stores than those employed by private traders, while they work as hard or harder. The attraction to the public, apart from the enthusiasts, is, not better or cheaper supplies, but the "divi" and the dividend. For the sake of these the small traders have been, and are being, ruined by the thousand, and it is difficult to see any public gain from the untold mass of misery involved in their fate. They paid income-tax, which the stores do not on their £4,500,000 of profit. They were local centres in a great many cases for social, charitable, and political objects, whereas the

stores have lost practically all this side of their movement, and are more like centres of greed, coupled with a desire to exterminate the competitors who make progress difficult for their own "tied" system. And even in regard to prosecutions for adulteration and short weight, the stores have by no means an absolutely clean sheet, as they ought to have.

Under these circumstances it is argued that the co-operative system is a moral failure. When it cannot even trust its managers to buy for fear of corruption, how can it have any claim to advance the cause of humanity? If this be so, co-operation, as at present administered, is more or less a delusion, and one that may prove a dangerous one. A quarter of our population are supposed to live by export trade. How could we compete in the markets of the world, if we paid too much for our food or clothes? It is obvious that, outside our own borders, the co-operative system cannot abolish competition; but, if it abolished the individual trader, and then proceeded to effect the extinction of the individual manufacturer, what security would there be that British goods could any longer be so cheaply made as to be able to compete in foreign markets? Five per cent. lost through error or unskilfulness on our annual trade of £1,500,000,000 would be £75,000,000—a large sum indeed.

As a matter of fact, an immense proportion of what was in the minds of the original co-operators has now been extended to the whole world by the system of limited liability. The smallest capitalist who has saved ever so few pounds can practically share in the greatest enterprises in proportion to his means. He can again save his profits and re-invest them in the same way. This has reacted on the co-operative societies, who have had to show even better results to justify their existence, and to prevent the workmen transferring their savings to avowedly commercial undertakings. At the same, they have had to keep their customers together by extravagant "divis," which seem ludicrous in amount to those who know the extremely small profits of retail traders. It may be said that some of these evils will cure themselves, for people will not

keep on buying dear goods. But the fact is, that they are misled by the moral tinsel with which the movement is bedizened.

On these grounds it may fairly be questioned whether philanthropic people ought to give their moral support to the co-operative movement as at present conducted. Its altruistic and moral ends have been forgotten, and have been replaced by a system savouring of actual oppression and monopoly. It has become a large joint-stock trading movement of an intensely capitalistic and selfish nature, and, if it continues to extend, it may readily become a standing national danger. If co-operators did not claim far higher things, and posed simply as an ordinary joint-stock enterprise, there would be no need to deal with the movement. It would simply be a form of competition. But for what is fast becoming a tyranny to pretend at the same time to universal philanthropy and benevolence, is surely little short of a hypocritical pretence.

WHOLESALE TRADER.

LABOUR HOMES.

WITH society organized as it is, each man fighting for himself, there must always be casualties in the battle against want. Thus many are left dependent on the kindness of their fellow-soldiers, whose activity they impede, unless steps be taken to heal their wounds. We have only lately realized that perhaps they are curable, and that an ambulance corps may not be out of place. Such a corps has for some few years existed in the form of what is called the "Labour Home." It is a reformatory, and not, as the workhouse, intended to be a permanent provision for any class; nor is it an experiment in any new system of land tenure.

It may be asked, "Why are labour homes wanted?" There are three main reasons:—

(1) Many people who are hopeless, or genuinely workless, may by such homes be assisted to independent life. Of the gain to the world, if this can be done, it is hardly necessary to speak. With distress from unemployment we are all familiar; for its removal we are all anxious: but I may with advantage briefly quote from Sir Walter Besant's recent article in the *Contemporary Review*—

"The gain to the country of every single case can never be estimated, can never be measured, by any standard: it is the gain of one more useful life; it is the gain of an example; it is the gain of children and grandchildren—one knows not how far and wide the gain may reach—brought up in honesty; it is the gain of one more man on the side of order; it is the gain of infinite possibilities in the direction of good rather than evil."

And as to the cost saved, he says—

“A wastrel of the London streets uses up, one way and another, at least £40 worth of food, drink, clothes, light, fire, and shelter. He ought to produce, by his own work, at least £60, of something or other—so that every such worthless creature is a loss to the community of £100 a year.”

But the evil itself is no reason for labour homes. The reason lies in the fact that by them reclamation *can* be carried out.

(2) The existence of such homes tends to prevent that thoughtless form of charity which increases the class of degraded people; and—

(3) assists the suppression of begging, by law.

These are the main grounds for the establishment of labour homes. Before concluding that the homes are therefore desirable and useful, let us inquire what experience has to teach.

I have been asked to give some account of the German labour homes, of which I have lately had experience, and it will not be out of place to touch also upon what is being done of the same kind in England. The German system originated about fifteen years ago with the celebrated Pastor von Boden-schwingh, and was an offshoot of his great institutions for epileptics and others at Bielefeld, in Westphalia. It has grown so rapidly that there are now twenty-eight colonies scattered over the empire, of which one is in Berlin, one at Hildesheim for women, and the rest are “farm” colonies as far as possible from towns.

I do not wish to spend time over the rival merits of town and country homes: they are the same in essential features; some cases suit one, and some the other. The Germans lean to the idea that country life is the more wholesome and reforming; while, at the same time, the necessity of leaving town forms a test of anxiety to reform which is valuable, and which no one will minimize who understands the strong preference for town life entertained by the class we are dealing with. On the other hand, the scattered labourers on a farm are more difficult to control.

The German colonies are part of a system which includes relief stations, registries, lodging-houses, and farm colonies. They are supported by donations from the State and local public bodies, and by private charity. There are, first, relief stations in every town and district. These are labour yards, usually for wood-chopping, where any applicant can, by a few hours' work, earn enough to get a night's lodging. Labour registries are attached to them.

Private charity has supplemented these with a great system of lodging-houses, the International Society (as it is called) having over four hundred in the Fatherland, and endeavouring to combine, wherever possible, a relief station and a lodging-house under one manager. For those who, in spite of these aids, cannot find situations, there is the farm colony.

In theory the workless person is bound to have from the police a license, or *wanderschein*, on which is registered the place he last slept at and the place he must go to. If a situation suitable to his case is vacant, and known at the relief station, he must take it, or be reported to the police; if not, he is directed to the next station, and if found wandering elsewhere, the police shut him up; the only remaining course is to enter a labour colony, where he is compelled to work. According to German law therefore he inevitably ends in a situation, a prison, or a colony; but it may fairly be doubted whether the knowledge and supervision of the police is so strict and detailed as to admit of no other alternative. Professor Mavor, in the Board of Trade blue-book, estimated, in 1893, that eight thousand people passed through the German colonies annually; there are now twenty-eight colonies, containing about five thousand men, through which probably fifteen thousand people pass every year.

Besides ordinary farm work, a great deal has been done in the way of reclaiming land and removing soil. In this way one or two of the colonies have so far improved their farms as to find it best to sell out, which they can do at a profit, and move to inferior farms, which they may treat in the same way. Simple digging by a large number together is easily supervised, and the application of this class of labour to such work may

prove to be positively profitable, for though the labourers are mostly inferior, the cost of keeping them is small. It is the opinion of experts that, with suitable conditions, a labour home on land requiring reclamation should be carried on at very small cost, if not at a profit.

The home is superintended by a manager, who controls the work and is also "house father," or head of the home. The men sleep in dormitories, and have large rooms for sitting and dining. We shall go further into details when examining the methods of labour homes.

Turning now to homes in England, the largest system is that of the Salvation Army. Founded after the publication of *Darkest England*, the Army social scheme has grown till it includes the large "Farm Colony" at Hadleigh, in Essex, and a large number of town labour homes. At Hadleigh, the colonists sleep in separate houses, containing forty men each, but there is a great common dining-hall and public room. The estate amounts to over two thousand acres, and, besides agriculture, large experiments have been made in poultry, fruit-growing and brick-making. Many of the most responsible positions are held by men who came to the farm as drunkards and ne'er-do-wells, and have shown themselves competent. Others occupy good situations independent of the colony; while many, of course, cannot be traced. As in the German colonies, men are received at the Salvation Army houses without special inquiry and recommendation.

The Church Army system, though smaller, is probably the best equipped and most efficient in England. There are twenty-four homes in towns, and a small farm-labour home in Essex, for which cases are selected from the town homes, or sometimes sent direct. No home contains more than twenty-five men, and the method followed is that of careful attention to each case, the officials holding that social failures cannot be treated by rule, and can best be raised by personal influence.

Another labour home is that of the Christian Union for Social Service, at Lingfield, in Surrey. This resembles the Church Army homes in its main features, but follows, in some

respects, the German model, especially in the introduction of working-men volunteers, who offer themselves for very low pay, to live with the colonists day and night, and devote themselves to their service. This colony aims at the closest co-operation with boards of guardians.

Another small home is that of Mr. Walter Hazell, M.P., where only select cases are received. It is almost exclusively an emigration test farm.

These are, for our purpose, the chief agencies at work. The details and character of the scheme will be best seen in reviewing its features one by one. There are also many labour homes for women and boys, but we are more especially concerned with those for men.

We have now to bear in mind the objects in view, and to consider how the methods attain them. We found the *raison d'être* of labour homes to be : (1) that social failures can be reclaimed ; (2) that pauperizing charity can be limited ; (3) that by their aid begging can be further suppressed.

We may summarize the methods intended to meet the object of reclamation as follows : (a) tempting the discouraged to try again ; (b) giving them health, hope, character, and skill ; (c) helping them into situations.

The first step to be taken is to get suitable persons to enter the home willingly. We cannot compel them ; we must tempt them. Thus, a labour home must be tolerably attractive to those who are in earnest about improving their position. The more odious it is to the idler and cadger, so much the better. The board and lodging must be good, and the chance of restoration considerable. One, at least, of the German homes advertises that any one staying five months will have the offer of a good situation. But the work must be hard and discipline strict.

This matter of admission involves the whole question of what classes can be, or ought to be, put into labour homes. Remembering that the class we wish to get are the failures who may be set on their feet again, or those who are hardly yet failures and may be saved from becoming so, let us now observe what experience has to teach. The German colonies were at first

used by genuine workmen who stood a fair chance of regaining work at a trade which they knew. But in a few years the cadging class and ex-prisoners became so numerous in the colonies that good men found it involved loss of reputation and a lowering of social position to enter them. The colonies being thus left mainly to the complete failures of society, after nine years of existence (in 1891) the percentage of ex-convicts proved to be 75. It is now over 80, and, in some cases, 90 per cent., showing that provision is made practically for this class only. In the German women's colony, at Hildesheim, the proportion of ex-convicts is smaller, though very large, and is increased by the fact that many are sent by the police, sometimes at the request of friends, and though it is possible to leave the place without danger of forcible detention, those who leave without permission are often found by the police and sent back. It is claimed that the German police system of espionage is of great public benefit in this way. Whether it is so or not, we in England have only to consider what method is suitable to people with absolute freedom. Penal powers for private institutions are not to be thought of.

The Salvation Army farm colony finds that about 25 per cent. of its inmates have been in prison. As in Germany, the men are not, and have not been, good workmen, unless men who are good in all points except indulgence in drink can be called so. The main feature of entry into the German and Salvation Army homes is that admission to them is free to all ; practically no selection is exercised, no limit put upon the number of times one man may enter, and no minimum of time enforced during which he is obliged to stay on pain of rejection for the future. The Church Army and Lingfield societies, and Mr. Hazell, on the other hand, remembering how few can really be reclaimed, confine themselves to more or less hopeful cases. They take no one over forty-five years of age ; they insist that he shall stay a certain number of months ; they refuse all who are not recommended by guardians or other reliable people, or who do not appear to be capable of reformation. The Lingfield colony entirely excludes ex-prisoners. The result of these rules is that

a larger proportion get situations, and that those are excluded on whom money and trouble would be certainly wasted, or who have carelessly thrown up the chance of regular work. At these colonies, admission is granted in many cases to those who apply at the homes or offices, provided the case seems hopeful; but many are admitted on the recommendation of guardians, private persons, the Charity Organization Society, and other societies. All are passed through the central offices, and then sent to the most suitable home, it may be in town or may be on the farm. The Rev. J. S. Brooks, of Lingfield Home, tells me—

“Three have been sent by the Charity Organization Society. Of these, one went to Canada, one to a situation, and one was dismissed. All the others have been sent by personal friends or philanthropic people. All must have five shillings per week paid with them until we can see they are able to earn their living. Farming is not easily learnt, so while some are not paid for more than two or three weeks, some are many months needing it, and some will never earn their living at farming.”

It has always been found that good workmen do not enter, and many of the inmates are habitual drunkards, some of whom can never be successful as independent men. Speaking generally, none of these labour colonies have induced good workmen in temporary difficulty to use them.

A notable fact is that great numbers of applicants are social failures from the middle class. It does not appear that those who have regularly gone on tramp, or who are born members of the tramp class, form a large proportion of those who enter. A very large number have seen far better times, and have fallen from good positions through drink, gambling, or other mistakes. These are the social failures who show the futility of hoping that poverty and misery can ever be reduced below a terribly large minimum; they are, moreover, the very cases which most need help. The good workman had far better remain independent. Among the colonists there were represented, when I visited them, stockbrokers, clergymen, gun-makers, drapers, solicitors, and clerks, and a day which I spent at one of the farm

colonies was enlivened by discussions with colonists on theosophy and Watts's pictures. Of the various specified classes who entered the Church Army homes in 1892, the largest was that of clerks.

In addition to these, there are, of course, men who have been labourers, and to whom the work, which is chiefly manual, is less irksome, and restoration to employment easier.

The case of married men must come under this heading of admission. Mr. Kelly, in his *Evolution and Effort*, makes out a case for compulsory colonies to contain men, women, and children. But with no penal powers the reception of whole families seems to be beyond the scope of labour homes. Yet the rescue of a family and home from break-up may be even more important than the case of the single man. Almost all the men who enter declare themselves to be single, but there are many cases where, by the restoration of a father to work and will, the whole family may be saved from pauperism. These cases must be provided for.

Private people, or societies, may sometimes support the family *pro tem.*, or the colony may allow the father to send his wife money if he can earn more than his board and lodging; or, in carefully selected cases, where it would clearly be preventive of destitution, guardians may with advantage relieve the family, though probably they must do so in the workhouse. The Church Army report—

"We have never, to my knowledge, taken a man into one of our homes while his wife was receiving out-door relief from the guardians, but have had several men whose families have remained in the union during the husband's stay with us, and many of these cases have turned out satisfactorily. All money the inmates of the house earn over the six shillings a week for board and lodging can be sent to the wives, and, in some cases, by special arrangements with the guardians, we have taken the man from their union, leaving the wife and children in the 'house,' on condition that we let the guardians know at once should the husband leave the home. In other cases we have arranged for the wife to enter one of our women's homes, and for the man to go to a men's home."

In these ways the chance of restoration can be offered to married men and women as well as to the unmarried.

Considering now the whole question of admission, experience favours the system of taking only selected cases and applying to them strict rules. The poor-law principle, that the condition of the pauper must not be better than that of the poorest independent worker, is one which even private labour homes must obey. It is essential that the attractions shall not be such as will lead any person to prefer them to really independent life, or make it easy for him to throw up a situation with impunity. The test of work and discipline will deter most idlers from applying, but it must not be forgotten that many who are strong, more or less willing, or even really good workmen, find it very hard to be regular, and cannot resist drink or temper, even when it means loss of employment. There is a great number whom nothing deters from losing work but the fear of absolute destitution. If, therefore, the labour home forms a comfortable provision, ready for the day when work has been foolishly lost, it may prove a grave danger. While, therefore, the home must be made attractive to those whom it can benefit, it must not be open to those who have shown themselves by carelessness unable to make good use of it.

That this danger is not an imaginary one is, perhaps, shown by the experience of the colonies which are open to all, viz. those of Germany and the Salvation Army. These find large numbers of inmates returning again and again. Their numbers are small in summer, but uncomfortably large in winter, just when there is little work to give upon the farm. These colonies are evidently used by a class who will not be restored, but who lead a cadging life in summer and are hard up in winter. I find in the blue-book previously quoted the following :—

“The repeated admissions into the German colonies show that the colonies are dealing with a body of at least four thousand men who are for various reasons unable to regulate their own lives on an independent basis, or unable to get or keep employment under customary conditions.”

This is not the class intended to use the home; its work is

remedial above all things, and our preference must be given to the system of receiving only cases selected for their fitness and hopefulness.

Coming now to the matter of restoring hope and character, health and skill, the methods employed must be considered. But it must be frankly admitted that the completest methods go for nothing unless confirmed by results, in the shape of hopeless men restored to self-support. In short, the tree must be tried by its fruits. *Prima facie* probability must be discounted, and the methods need be but briefly reviewed.

The treatment prescribed consists mainly of one sovereign medicine—healthy work. When the paying inmates of Von Bodelschwingh's Inebriates' Home complained that, as they paid a hundred pounds per year, they ought not to be made to work eight hours a day : "Work," he said, "is the privilege for which you pay." That is the principle on which labour homes proceed. Regular and healthy toil is the tonic from want of which most of the patients are suffering. Eight or nine hours a day are usually worked at labour homes. At the home where I have passed a night and day, the time-table was as follows:—

Prayers, 6.20 a.m.; breakfast, 6.30; work, 7 to 12; dinner, 12 to 1; work, 1 to 5; tea, 5.30; prayers, 9; supper, 9.15; bed, 9.45: making a clear nine hours' work, without allowing for meals.

But considering that work is not excessively long even in summer, and that there is meat at two meals every day, there may be danger of treating these semi-paupers better than the labourers at neighbouring farms and workshops. But the colonists are semi-invalids, and must be well nursed. Taking into account the restraints and discipline they submit to, their lot is not likely to be envied by independent men. Five hours' work at a stretch is more than many workmen care for, and bread with skim milk in the evening is none too much to keep out the cold on a winter's night, of which fact I had bitter experience at the Lingfield colony. The kind of work varies from simple wood-chopping to high-class mechanics' work in towns; and from digging to house-keeping and butter-making in the country: while in both cases a man is sometimes found

best suited with book-keeping in different forms. It is, of course, difficult to get a full day's work out of the average colonist. Some, frequently the drink cases, are very good men indeed ; but it may be taken as a general rule that the strain of work in a labour home is not so severe as to make life a burden.

Owing to the difficulty and expense of suiting the needs of each case, it has not been found feasible to teach men a special trade. Moreover, it is probably not desirable. Few of the labouring-class colonists have capacity to learn more than simple work, while those who are fallen from a higher class have already a profession. Most of both classes require help, and hope, and self-control, much more than skill. And again, there would be some unfairness in giving to the less deserving the special skill which more deserving men have not acquired from want of money to buy it. The most suitable chance of teaching a trade seems to be in the cases where a professional man, even a doctor or clerk, can qualify for emigration by learning the accomplishments of a "handy man."

If work is the chief reforming agency, moral influence is hardly less important. All experience, both of public workhouses and private institutions, goes to prove this. It is the main advantage of private management that it can bring moral influence to bear so much better than public management. The impotence of any official system to effect true reformation has been amply proved in the experience of the poor-law. The ne'er-do-well who arrives in the home, cursing society in general for its cruelty and indifference to his misfortune, will most easily be reached by kindness. It is therefore essential that nothing like a cast-iron system shall prevail, and that the authorities of the place shall be considerate. The superintendent of a casual ward can be humane, but he must not go out of his way to be friendly. It is otherwise with a labour home. There is not the same necessity to make the place uncomfortable. Nothing will be effected unless the inmates' confidence and good will can be drawn out. A kindly tone is therefore assiduously cultivated. There are games and books for the evening, and amusement is encouraged. Religion is held up as the motive which prompts

the maintenance of the home and the actions of its managers. Texts are on the walls ; there are meetings, with cheerful music, and frequent services, for which many homes have a chapel ; and meals begin and end with grace. It is hardly possible that the jaded casual, who has fallen from one disappointment to another, and felt the world against him, should not be struck by the warmth and kindness of the atmosphere he enters.

A Church Army pamphlet summarizes the features of labour-home life thus—

"Individual treatment. Habits of cleanliness. Inducements to self-help, self-respect, and independence. Workmen's usual hours of labour. Work the test of character. Innocent amusement allowed. Abstinence from strong drink. Stimulus to live honourably towards God and man. Teaching how to break bad habits and form better, both at work and in leisure."

It must not, however, be supposed that for the sake of kindness discipline is relaxed. Attempts in this direction have been found disastrous. The character of labour-home masters is perhaps more truly illustrated by one manager of my acquaintance, who sometimes greets a feeble-looking applicant with the question, "Can you fight ?" If the applicant replies that he would prefer to call another day, the manager concludes he is too weak a character ever to have been really restored, and congratulates himself on having avoided useless expense.

It will readily be seen that a great impression might be made by surroundings such as I have described, and by the influence of religious revival ; and, in fact, very striking cases of complete reformation have been seen at Hadleigh and in Germany. But one would naturally expect that individual dealing and, where it is possible, friendship will be more successful still. Accordingly we find greater apparent success where the number of men in the colony is not larger than the manager can personally know. Men of this stamp are of every variety, and require every variety of treatment ; we may therefore commend those colonies, such as the Church Army, who never allow the capacity of a colony to exceed twenty-five. They claim, as they say, that—

"institutionalism is reduced to a minimum. We readily detect disease. Enough trade can easily be secured to keep a small home going, and the place is not calculated to disturb existing trade as a larger one might do. Moreover, the small home enables us to give individual attention and obtain a stronger personal influence over each one."

Even with small numbers (and consequently greater expense per man) it is difficult for the manager to become closely acquainted with his men. He has not only to befriend them, but also to make them work. With the best men it is not easy to maintain both intimacy and authority ; much less with men of feeble character. How, then, can personal influence be exercised ?

To meet this need, the German and Lingfield colonies have a most interesting device. They have attracted volunteer workers, by holding out a field for devoted labour, both secular and religious, in which those who are willing to teach manual work are able also to give moral and spiritual teaching. In Germany there are great numbers of these so-called "Christian brothers," who live with the colonists, work, eat, play, and sleep with them. To some extent they are foremen, but not so far as to be unable to make friends. At Lingfield there are six of them, living on terms of complete equality in all points except one. In this one point they are not above, but below the colonists; it is this—they wait upon them at meals, none of them beginning his dinner till they have served the twenty-four fellow-labourers. By no other sign would a new-comer distinguish between the willing workman and the social failure. In the evening the brothers, when I saw them at Lingfield, were playing games with the men, as were also the manager and his wife. My opponent at dominoes proved to be a workman whose native village I know, who had left a good situation in large carriage works and the duties of an occasional Methodist preacher, to spend his life on a level with the shipwrecked members of his class. It is inspiriting to find that there are genuine workmen who, even in this sordid age, are attracted by the highest possible ideals of the practical Christian life. If the system can be further developed, as it is in Germany, here is a possible solution of the personal influence difficulty.

These two remedies, Work and Moral Influence, are the chief methods employed; but besides labour, food, and training, kindness and religion, we should notice also the sense of living by work, and not by charity. A man is charged so much for his keep; beyond that, he is credited with money. This the Salvation Army pay over weekly, holding it better to let a man learn self-control, and not to tempt him by the chance of spending some months' savings all at once. Other colonies bank it for him, or pay him part weekly. The 5s. or 6s. granted weekly is held back for future use at Lingfield, and the only direct weekly allowance is an ounce of tobacco. But, however a man be paid, it is found that the sense of living honestly, by his own labour and not on other people's, is powerful to raise a man at once many steps in the moral scale.

I quote again from a Church Army pamphlet:—

“The Church Army allows full intercourse with the outside, and so secures a test of a moral kind. If the man has been a drunkard, every day he passes a public-house with money in hand—he has a daily temptation, and a daily victory over the besetment of his life.” And as to the stimulus to self-help: “Full pay is allowed for two months; then, as a stimulus to seek some independent work, half-pay only is allowed during the third month. If this does not suffice, no pay is allowed during the fourth month, to cover such luxuries as tobacco: and the effect of this rule, while disposing of shiftless loafers, has been wonderfully helpful to others.”

There can be no statistics of spiritual classes, but to the fact that many men are radically reformed and renewed in character and life, those who know anything of the work will bear unqualified testimony.

We come now to the fruit by which the tree should be chiefly known—the tangible facts of restoration, in the shape of situations gained and kept.

In Germany the number was at first 27 per cent., falling to 19 per cent. in 1891, and lower still since. Much better results appear in the women's colony, and that for men at Berlin. Some of the colonies do not show records, and the president of the colonies in Saxony replied to my question, that the

matter is "un grand secret." It is, of course, impossible to follow the course of a number of moving men; and, moreover, it is found unpopular with the colonists, so that inquiry has, in some cases, been given up.

The Salvation Army also began well. Mr. Lewellyn Smith's blue-book shows that, during the first two years of the farm colony, 990 men passed through it. Their stay averaged about four months; and 440, or about 45 per cent., found situations of one sort or another. A smaller percentage has since been shown, recent figures giving 588 cases actually placed out of 2790, or 21 per cent., in addition to those who left nominally to find work. Many have been taken on by the Southend Corporation, which, perhaps, shows that they have a good reputation.

As we should expect, with a selective and very carefully managed system, the Church Army restores a large proportion to independence. They have kindly taken out figures, specially referring to poor-law cases, for 1897. Of 158 men who passed through the homes, and left in health, 61 went to known situations, or 38 per cent.; 70 more left nominally to seek work; 21 were idle; 2 were arrested for felony, and 3 returned to the workhouse. Of 342 casual ward cases, 45 per cent. got situations, 40 per cent. left to seek work, and 15 per cent. were idle or insubordinate. The blue-book carefully analyzes the cases for 1892. Of 654 passed through in London, 84 found work for themselves, and 283, or 43 per cent., went to places found by the Church Army, or were restored by them to friends. Of situations found the largest class is again that of clerks. It should be noted that the Church Army prefers to make a man find the situation himself, as he then takes more trouble to keep it. Otherwise, the figures would show an apparently better result.

Mr. Hazell, as the result of two and a half years' work at Langley training farm, reports on the 107 cases accepted. Of these, 67 were sent to Canada or New Zealand, 43 are known to be doing well, and 17 more believed to be so, and 7 left for work in England, making 62 per cent. of probable

successes. With regard to poor-law cases at his present farm at Great Hundridge, 9 have passed through; and of these, 4 are satisfactorily placed, and 5 are failures.

As to Lingfield, during eighteen months Mr. Brooks reports (of 42 cases who have passed through) that 5 have gone to Canada, and are doing well; 13 have had places found for them in England, and have not returned to the colony; 9 have been dismissed, and 15 left of their own accord—of whom 4 ran away, and others, as they put it, “thought they could get work if they were back in town.”

We have now dealt with the questions of reclamation, and must consider the other side of the work of labour homes, viz. the checking of pauperizing charity.

Towards this end their influence is twofold. In the first place, their existence induces those, who would otherwise give money without knowing its effect, to hold their hands. Who is there, not devoid of humanity, who has not found it well-nigh impossible to refuse a few pence to the hungry-looking man who opens the cab-door for him, who claims to be anxious for work, who will be “all right” if he can get some particular place, or if he can redeem his clothes from the clutches of “Uncle”? What opening could we point to if we refused the money which might possibly provide the man with the means of self-support? The workhouse is not the place for him; we cannot tell him of a vacant situation; the labour bureau can do nothing. Therefore, in case the man’s story should be true, we give him a trifle: these are the trifles to which a whole multitude of the miserable owe their existence. Not only is the money wasted, but we are producing by it a crop of wretchedness. It is here that the labour home comes in. If we can point to a place where, without becoming a pauper, a man will be given a chance, then we stay our hands. And, if we know that the guardians will send any suitable man to the labour home, we do not feel it essential to give him something to keep him out of the workhouse. Granting that there are many who would, in any case, be shortsighted, and that the working class will always, whether from custom, fear, or sense

of duty and pity, give to those who beg from them, there are still very many anxious to refuse relief without knowledge of the case, and their refusal will be an unqualified gain; for there cannot be one in a thousand of such thoughtless gifts that confer the smallest real benefit, while the general effect is undoubtedly to increase the sum of misery and degradation.

There may be some who would argue that, if the stream of such miscalled charity were stopped, the hardship and degradation of pauper life would be thrust on many who should be saved from them. To such I would recommend a perusal of a small book, called *The Beggars of Paris*, by a Frenchman (who learnt all their ways by personal experience), which was recently translated into English by Lady Herschell, and forms not only an instructive, but a very amusing, study. Few thinking men can doubt that the class affected would almost to a man be better off in the workhouse than on the streets. A large proportion would not be driven to the workhouse, but to self-supporting labour. And none will be found to urge that he who lives by cadging and charity would not be raised higher, both morally and physically, by exchanging his life for that of a labour home.

It would hardly be honest to claim that any striking reform must in this way be effected, when experience seems to show that most people will always think more of the present than the future. Even the discipline of Germany fails to prevent the peasant from indulging his shortsighted emotion when the *strolche* tells his woeful tale. Tramps (at least, in rural parts) are not extinct in Germany; and some prominent supporters of the colony system admit the fact that begging is not everywhere diminished. But, whether large or small, the effect of labour homes must be in this direction. Even our own personal experience tells us of many cases where it would be so.

In the second place, their existence minimizes those panics which arise when an exceptionally hard winter causes much unemployment. Then the tenderhearted public rushes into experiment, of the result of which all are familiar from the

history of the Mansion House Fund. The evil effect of that fund would never have occurred, if a system of labour homes had been in existence.

Thirdly, labour homes enable the authorities to be stricter. It is claimed in Germany that the police have greatly reduced begging by increased activity, and that this activity has been brought about by the influence of the colonies on public opinion. The number of persons imprisoned for begging fell from 23,000 in 1885 to 13,000 in 1890, and has remained at the latter level. When the public are satisfied that the provision made for indigent people gives the honest man a chance, then, and not till then, are the police allowed to deal severely with those who demand still further provision, and demand it often with threats from the poor, who can least afford it. Here, again, it cannot be claimed that this result is completely attained. I myself know a village in Germany where the burgomaster, whose duty it is to arrest tramps, not only relieves himself of that trouble, but feeds them at his own door. It is, however, admitted by all that, in populous places, begging is a very risky venture. In this country magistrates and police fail to carry out the law by which begging can be punished, on a second conviction, by three months in prison. Public opinion is against it. Thus, a low standard of life is encouraged, the rich victimized, and the poor robbed. But, if the public realizes that a better chance is offered to the hopeful cases than the casual ward, the workhouse, or the prison, why should we despair of bringing about such strictness, whether by way of punishment for begging, or detention for repeated idleness, as would deter great numbers from joining the lowest ranks? With public opinion thus educated, it might even be possible to start penal colonies, like those of Berlin and Dresden, and to punish cadging as well as begging.

The laws of Saxony permit the commune of Dresden to consign loafers, drunkards, prostitutes, and family neglecters to a penal workhouse, called the *Arbeitsanstalt*, by order of the commune official for the poor-law department. Quite apart from the ordinary law, and without the preliminary of poverty,

he may sentence such people for any period under two years. There were, when I visited the place, one hundred and fifty men and one hundred women. Most of the latter are there for six months or more. Various trades are carried on, including the making of mats, brooms, and paper bags. The discipline is strict, but differs from that of a prison, the governing idea being that of reclamation, not of punishment. In this way the most vicious of the people, whose character was manifest in their appearance, are kept from contaminating the town. Many are improved and placed in situations.

In another very practical way the homes assist the law, viz. by enabling the guardians to offer the pauper the means of self-support. They send him to the home, and, if he refuses to work there, or returns to the workhouse, he is prosecuted for refusing to maintain himself. This is a help much valued by several boards. Without further enlarging on their merits, we may point to the fact that the Local Government Board has allowed guardians to pay for the keep of paupers in homes, as showing that the system has the support of the most expert and scientific authorities.

It is not in the scope of this paper to enlarge further on the work. We have seen how labour homes tend to accomplish three great objects. These we do well to bear in mind. (1) They restore to self-support many who would otherwise become or remain members of the dependent class. (2) They limit thoughtless and harmful almsgiving. (3) They facilitate the suppression of mendicancy by force. It will readily be admitted that any one of these is worthy of trouble and expense. Supposing even that no restorations were effected, the other gains would justify the existence of labour homes.

It remains to meet the objections which can be urged.

(1) One danger, that of attracting indifferent workmen from regular work, has already been touched on.

(2) It would also be dangerous to encourage the idea that in any time of distress work will be found by a public body; but with private bodies this danger is minimized, and both these objections are met by the limiting of admissions to suitable cases.

(3) There are some boards of guardians who might be so free in sending people to the homes, as practically to make the offer to any one applying at the relief office. This, however, the Local Government Board has taken steps to prevent, and, with homes which adopt the carefully exclusive system, it would be impossible. It is not an objection to the practice of sending suitable persons.

(4) The great cost of relief employment, as against relief without employment, has been found fault with. In the case of stone-breaking at St. Olave's and other unions, the extra cost of material and supervision was doubtless far greater than the value of the produce. Apart, however, from the moral benefit of employment, it must be noted that private labour homes work with far greater economy, and some of them practically pay their way. The Lingfield Home feeds its men for 7d. a day, or 4s. a week; some of them are as useful as farm hands who would earn 15s. a week.

(5) Finally, it is urged that the system forms a departure from the policy of the law, according to which the public authority offers to the unemployed the workhouse, and will not find him work elsewhere. Mr. T. Mackay, in an article which condemns relief employment, points out, however, that the reference of selected cases is no breach of the principle, and quotes Mr. Vallance in support of this contention as follows (in reference to the Whitechapel cases sent to a farm colony):—

“ ‘The guardians had no intention of seeking a relaxation of the conditions of relief to the ablebodied as a class, but only to justify the rule of a strict application of the workhouse test, by co-operating with voluntary agencies, in certain special cases.’ And, again, Mr. Vallance speaks of the experiment as ‘a possible development of the workhouse system.’ ”

There seems to be no unanswerable objection to the system, provided it follows the lines I have indicated.

If the merits of labour homes be admitted, it follows that co-operation between them and boards of guardians is desirable. Fortunately, it exists already to a very large extent. The

Church Army officers visit almost every workhouse and casual ward in London at frequent intervals, and arrange with the union officials as to cases they may have which are possibly suitable for help.

In this way there were taken into their homes—

		From London Workhouses.	Casual Wards.	Total.
In 1895	.. .. ..	184	144	328
" 1896	.. .. ..	155	251	406
" 1897	.. .. ..	171	367	538
Totals ..	..	510	762	1,272

Whereas in 1892, of the 803 cases admitted to the Church Army London homes, only 284 were poor-law cases; in 1897, 538 came from unions.

In Whitechapel the officer interviews the labour-master, as well as the master, and also explains the matter to the able-bodied inmates. He then corresponds with the master before the case is received, or sometimes the man discharges himself and applies at the Church Army office without the master's intervention. The latter may thus be unaware of the man's removal to the home, but his going there is none the less due, in many instances, to the Church Army officer's visit. The statistics supplied by the Church Army will explain the extent of the work.

Those received from the Whitechapel workhouse, and passed through, numbered—

		In 1895, 2.	In 1896, 4.	In 1897, 5.	{ Total, 11.
Situations	.. .. ..	—	3	3	6
Left	.. .. ..	2	1	—	3
Dismissed	.. .. ..	—	—	1	1
Infirmary	.. .. ..	—	—	1	1
Totals	.. ..	2	4	5	11

From the casual ward—

		In 1895, 10.	In 1896, 12.	In 1897, 20.	{ Total, 42.
Sent to friends	.. ..	—	1	—	1
Situations	.. ..	5	3	10	18
Left	.. ..	4	6	5	15
Dismissed	.. ..	1	2	4	7
Hospital	.. ..	—	—	1	1
Totals	.. ..	10	12	20	42

The Whitechapel officials have orders to report cases which appear capable of reformation, and to tell such men of the homes. Notices explaining the matter are hung in the casual ward and the workhouse. The master reports that an officer calls weekly. He adds that his inmates think the work too hard at the labour home, and declare that "the Church Army wants too much of us," and "we can't earn enough." Thus unconsciously do they praise the homes with faint blame. It is a case where "their praise is censure and their censure praise."

Again, as we have seen, many boards send cases with a view to prosecuting them if they will not work. During 1897 the Lambeth guardians obtained sentences against six, Hackney four, and Bethnal Green one. The sentences varied mostly between three and six weeks. One received six months. Others who were sent with a view to prosecution, either did consent to work at the home, or kept themselves elsewhere without returning to the workhouse.

Lingfield has had nine cases from workhouses: Kensington, Paddington, Stepney, and St. Saviour's. The guardians provided them with suitable clothes, and paid 5s. a week for them. Four of them were lads trained in workhouse schools, who are now more likely to get free from pauper taint before starting life.

There is thus a large amount of co-operation already. Moreover, the guardians have leave now from the Local Government Board to pay for the keep of their paupers in labour homes to the extent of 5s. a week. Many of them do this; but the Church

Army prefers a donation by way of payment for results, and refuses the weekly 5s., because of its effect upon the case. It prevents his feeling that he is earning his living, and he refuses to work hard when he can say that he is being paid for. These arrangements between boards of guardians and labour homes only need to be extended to every union to produce a very marked benefit. Their effect, on the one hand, is to restore to self-support and ratepaying power a large number who would have remained living at the ratepayers' expense. On the other hand, when it could be said that all the unions of London (not to go further) were in touch with labour homes, and that any hopeful case applying to them would have a chance of rising if he proved industrious, then, and not till then, could an effective appeal be made to the public of London to withhold their foolish gifts. When we no longer feel that in sending a man to the workhouse we are possibly damaging his life, then will the polluting stream of careless charity begin to run low. Such an effective appeal is the goal to be kept in view.

NOEL BUXTON.

NOTES ON ENGLISH MEDLÆVAL SHIPPING.

THERE can be little doubt that we must date the revival of the art and craft of seamanship in this country to the coming of the Danes, whether as the stimulating force which prompted King Alfred to build a fleet and fight them after their own manner on the sea, or in their character of traders who settled here at the close of the tenth century, and established shipping depots at the mouth of every considerable English river.¹

The Saxons, like the Danes, were at their first coming essentially a seafaring people; but more than three centuries of tribal and territorial warfare for the possession of Britain had caused them to concentrate their attention almost exclusively on the acquisition and preservation of their respective kingdoms rather than on predatory coasting expeditions such as the Danes loved, and thus much of their original nautical skill was permitted to lie dormant, and, in the case of the inland settlers, was altogether lost.

And afterwards, when the Danish invasions drove the English to the sea again, it needed the further co-mingling of Danish with Saxon blood to keep us there. For the Saxons, if adventurous and seafaring, were not by nature a commercial people,² whereas the Danes pursued an eager trading policy everywhere. Traffic, and the exchange of merchandise in the world's distant marts, was to this people as the breath of life, and it was doubtless their recognition of England's exceptional position as a centre for the pursuit of commerce that prompted them to settle on our eastern and western coasts in such considerable numbers.

¹ Green, *Conquest of England*, pp. 118-123, et seq.

² Of this theory more in another place.

The early mediæval trader had perforce to be a bold and a brave man; most of his transactions abroad were desperate ventures, and he often risked his life with his merchandise. At this early period, and for centuries later, there were only two alternatives to sea-going folk—to rob others, or to be robbed themselves. The Danes were successful traders because they hesitated at nothing, and were sea-robbers first and merchants afterwards; and it is hardly an exaggeration to say that it is to the persistent survival of this fierce roving and buccaneering spirit that England owes, not only the establishment of her vast colonial dominion, but the very beginnings of her foreign commercial enterprise in the early Middle Ages: and for this reason—that, when we began to venture our wares abroad, we had also the spirit and power to protect their passage on the high seas.

They must have been terrible-looking men, these Danes of the ninth and tenth centuries, who leapt ashore from their long ship after weeks, probably months, of tossing upon the North Sea,¹ provided with only the roughest food and a scanty water-supply, in an open sailing-boat, seventy-five feet long by fourteen feet broad, worked by oars when there was not wind enough to fill the primitive square sail, which, together with the mast, they put up or took down at pleasure. We know the sort of boats they were, for some of them have been recovered from ancient Scandinavian burial-grounds. They averaged from seventy to eighty feet in length, and from twelve to fifteen wide, and were highly pointed at either end. The same type of boat has, in fact, actually survived until the present day, and is still in use among the hardy fishermen of the Lofoden and Vesteraalen Islands and of the Tromsoe Amt, where the present writer has seen them, and compared them with the Viking boats exhibited in a shed behind the University of Christiania. The only difference appears to be that, in the modern boat, the "hutch," or cabin, affording sleeping (or eating)

¹ Cf. Ethelwerd, Bohn's *Six Old English Chronicles*, p. 59: "But the pagans who had now for almost a month been tossed about and almost wrecked among the waves of the sea, fought vainly against them." This was in the year 877.

accommodation for one or two persons, is at the end of the boat, instead of—as in the Viking ship—in the centre, behind the mast; and also the rudder in the Viking boat is, of course, at the side, not fixed at the end, as we are now accustomed to see it. The boat at Christiania, being a war-ship, has a number of round wooden shields fixed or hung along its sides, placed there probably as a tribute of respect by the dead chieftain's followers, and in this way serving to indicate the complement of warriors who manned the ship. The rowing-benches in these ancient vessels are fixed very high in the beam, so that the men probably leaned against them to pull rather than sat to their work. The benches are narrow, and hardly afford a comfortable rowing-seat. In fact, the idea conveyed by a view of these boats is that they were not designed for comfort; not as an end, but as the means to one. The men in them were evidently not expected to sleep much, or otherwise take their ease, but rather to row swiftly and to arrive.

The earlier types of these boats were, like the old Saxon keels, merely rowed by oars, and, as Montelius tells us, without the suggestion of a mast;¹ but the ships used in the later Danish invasions had sails, to the use of which constant reference is made by the contemporary chroniclers of their invasions, Asser and Ethelwerd.² Some of the Danish boats may have been larger than the Christiania boat; as, for instance, those "seven tall vessels" which Ethelwerd refers to,³ and of which Alfred captured one which may have served as a model for his builders to imitate.

After the settlement of the Danes under Cnut, it is probable that little change took place in English ship-building until after the Norman Conquest, when we should expect that new ideas

¹ Quoted by Mrs. J. H. Green, in the new illustrated edition of Green's *Short History of the English People*, 1893, div. i.; notes to the illustrations, p. ii.

² Ethelwerd, Bohn's *Six Old English Chronicles*, p. 30: "Lastly, their fleets put to sea and spread their sails to the wind;" and p. 35, *ibid.*, "The pagans spread their sails to flee."

³ *Ibid.*, p. 30; and Asser's "Life of Alfred," Bohn's *Six Old English Chronicles*, p. 59: "Then King Alfred commanded boats and galleys, *i.e.* long ships, to be built throughout the kingdom, in order to offer battle by sea to the enemy as they were coming."

as to the modelling of ships would be imported with the fleet that sailed from Normandy, conveying the great duke and his following to Pevensey.

Rouen was at this time the most considerable port in western Europe,¹ and was in constant intercourse with the Mediterranean through Marseilles—that Liverpool of the Middle Ages. An armament, therefore, which had to be transported across the Channel would, we may imagine, tax the resources of even so great a port, and its best shipping would be employed in the service. But we must also not forget that, after all, the invasion of 1066 was only another—the greatest and last—invasion of Northmen, although of Northmen who had assimilated the best portions of Roman and Frankish civilization. In the matter of shipping, these Northern rovers were entitled to lead rather than to follow, so we can hardly be surprised at finding in the pictures of the time little departure from the outline of the ancient Northern ship. The vessels of this Norman fleet, as depicted on the Bayeux Tapestry, are merely the old Viking ships built larger, and deeper, still open and undecked, though heavy enough to carry men, horses, and armour, and worked entirely by a large square sail held in place by the master of the ship, whose other hand manages the lateral steering-board, or rudder. The mast, however, is more considerable, and the rigging more complex than in the earlier Danish ships.

There is apparently little difference between these Norman ships and the presumably English ship in which Harold is, on the same tapestry, represented as sailing from Bosham to Ponthieu, and it is curious to note that his ship, like that of the Viking ship unearthed at Gogstadt in Norway,² is bordered with a row of round warriors' shields, whereas the Norman duke's vessels have nothing of the kind. This vessel is also, like the ancient ship, merely a large sea-boat, high-pointed at

¹ See Chéruel, *Histoire de la Commune de Rouen*, ch. i. p. 16.

² *Short History of the English People*, illustrated edit., div. i.; notes on the illustrations, viii., and p. 115. See also Baedeker's *Norway and Sweden*, 1889 edit., p. 8. I have seen these Viking ships at Christiania, and my conclusions are based on my examination of them.

either end, carrying a large anchor nearly half the size of the ship's boat, and is worked by the usual large square sail, hung from a mast so high as to require the services of a boy who is climbing to adjust it at the top. Here, also, the use of a lateral rudder is shown, but in Harold's ship the speed of the ship is augmented by the use of several long oars, which the sailors work standing. A certain dip in the centre of the vessel, and the curious position of Harold's men, who stand very high in the ship, at first sight suggests a decked boat; but this is possibly only the eccentricity of the drawing, as there is little or no evidence to prove that fully or even half-decked ships were known in England at this early period. The Norman duke's ships, on the other hand, show no sign of oars, nor of any kind of a deck; they are filled from end to end with men and horses, which last are carried in the hollow of the ship just as they are in Norway at the present day.

Now, while it is important and necessary to guard against a too literal acceptance of these tapestry drawings, I think we are justified in assuming that they probably indicate the main features of the early Anglo-Norman ship, namely: that they were large, heavy vessels, of purely Northern or barbarian design, with no trace of the Roman or imperial model about them, open from bows to stern, or at most having a slightly raised platform at either end, beneath which would be the sleeping or feeding apartments; that they were worked by a large square sail, hanging from a high mast, the top of which could only be reached by climbing, and were of sufficient burthen to ship men, armour, and horses—these last always a dangerous cargo for undecked sailing craft. The size of these vessels may be approximately calculated at four times the length of the ship's boat, which, giving twenty feet as the average boat length, would make the ships about eighty feet in length. Beyond these bare outlines the Bayeux Tapestry designs tell us nothing as to rigging or cabin accommodation, although it is obvious that some sort of covered shelter must have been provided for the royal or noble passengers who so frequently crossed in these boats.

It is to post-Norman or Angevin times, then, that we must look for a new development in the fashion of ships. In the hundred years following the Conquest, the influence of Rouen, and through Rouen, of Marseilles and of the Mediterranean generally, had been brought to bear on English shipping, or at least on that part of it which the king used for his own private passenger or military transport service.

Along the coasts of the Mediterranean, Roman civilization and methods of commerce had survived the wreck of empire. The Greeks and Venetians inherited, not only the imperial commerce, but the imperial love of ease and luxury. For purposes of commerce, as well as of war or for state occasions, therefore, they had preserved the use of the famed Roman galley, rowed, by two or more banks of oars, along the breathless summer waters of that inland sea. To these Southern influences, working through Marseilles to Rouen, we owe the naval feature of the Angevin period—the introduction of the war galley, or mediæval man-of-war. Richard of Devizes and Geoffrey de Vinsauf are the first chroniclers who give us any detailed account of the English fleet in the twelfth century. Both these writers, in their contemporary accounts of the exploits of Richard Cœur de Lion in the third crusade, have much to say upon naval matters, and draw a careful distinction between the transport vessels, or ships of burden, and the war galleys carrying the king himself, with his complement of knights, archers, and men-at-arms.

This fleet, which was collected by Richard I. in 1189, almost immediately after his coronation, is commented on by a third mediæval historian. In the *Annals of Bermonsey*¹ (1042–1432) we get the following entry:—

“Rex autem Angliæ habuit secum xiii. naves prægrandes, quas vulgo buffas² vocant, triplici velorum expansione velificatas, et centum naves onerarias, et quinquaginta galeas.”

¹ Edited by Mr. H. R. Luard, *Annales Monastici*, 1864–69.

² This can be no other than “bussas,” as “buss” was the name given to these ships by Richard of Devizes and Geoffrey de Vinsauf. I have not examined the original manuscript, but have no doubt the editor has read the long “s” as an “f,” hence this error.

The thirteen very large ships here referred to were probably the same as the "fourteen busses" quoted by Richard of Devizes, who describes the fleet as follows:—

"The ships which the king found already prepared on the shore were one hundred in number, and fourteen busses, vessels of great magnitude and admirable swiftness, strong vessels and very sound, whereof this was the equipage and appointment. The first of these ships had three spare rudders, thirteen anchors, thirty oars, two sails, three sets of ropes of all kinds, and, besides these, double of whatever a ship can want, except the mast and the ship's boat. There is appointed to the ship's command a most experienced steersman, and fourteen subordinate attendants picked for the service are assigned him. The ship is freighted with forty horses of value . . . and forty foot, and fifteen sailors, and with an entire year's provisions for as many men and horses. There was an appointment for all the ships, but each of the busses received a double appointment and freight. . . . The king himself, with a small household and the chief men of his army with their attendants, having quitted the shore, advanced before the fleet in galleys, and being daily entertained by the maritime towns, taking along with them the larger ships and busses of that sea, arrived prosperously at Messina."¹

The number of ships with which the king set out for Sicily had increased to four and twenty busses, one hundred and fifty-six ships, and thirty-nine galleys: two hundred and nineteen vessels altogether.

"In the forefront," the same chronicler tells us, "went three ships only, in one of which was the Queen of Sicily and the young damsel of Navarre." After these came the rank and file of ships and busses generally, and last of all came the "king himself . . . with his galleys." Concerning the Queen of Sicily's ship we have several particulars related. Richard of Devizes tells us that in a storm which arose, two of these three foremost ships were driven to pieces on the rocks, but that the third, "which was English, more speedy than they, having turned back into the deep, escaped the peril." Again, in the attack on Cyprus, this same "third English ship, in which were the women, having cast out its anchors, rode out at sea."

¹ Richard of Devizes, *Chronicles of the Crusades*, sect. 20, pp. 12, 13, Bohn's Library edit., translated by Dr. Giles, 1848.

Now Geoffrey de Vinsauf, relating precisely the same incidents of the storm and the subsequent attack on Cyprus, also speaks of this ship, but he refers to it as "the buss from Lyons, in which the queens were." Between these conflicting authorities it is difficult to decide, although the probabilities of the ship being English are not great, as no doubt the largest vessels would be those hired in Marseilles or Genoa. This ship, however, whether English, French, or Italian, was the most important vessel in the fleet—not only more speedy, but better to handle than its companions, both of which went to pieces. If it was an English ship, as Richard of Devizes says, it is interesting to suppose that the superior skill of the English sailors and the strength of its English timbers carried it triumphantly through all these dangers to which the other large ships—its companions—succumbed.

A rather obscure point in the foregoing descriptions of this fleet, is the reference to the gear of the large vessels or busses. The Bermondsey annalist writes of them as "triplici velorum expansione velificatas," which seems as if they were worked by a triple sheet of sails, or by the spreading of three sails. But except in this passage there is no other contemporary allusion to anything but the ordinary single square sail, nor do any even late mediæval drawings that I have come across bear out this suggestion of a triple sail. Three sails would have required three masts, unless we suppose they were spread from the same mast, one above the other, which would have been a very top-heavy arrangement for vessels of their comparatively small size. The only explanation I can suggest lies in the passage above quoted from Richard of Devizes, who, it will be remembered, says that each of the busses had a double appointment and freight, but that "the first of these ships"—which, from the importance of its appointment, was probably the English ship conveying the queens—had, among other extra gear, "two sails" and "three sets of ropes," and "double whatever a ship can want, except the mast"—clearly there was only one—and "the ship's boat." By some confusion of report, I think, the monkish chronicler has mistaken this description for the one

he gives us, and that this is the explanation of his startling announcement that the large ships spread three sheets of sail. The single mast and single square sail are, in fact, the most striking characteristic of mediæval ships until quite the fifteenth century, of which more presently.

Another name for their heavy ships of burden was "dromon," or "dromond," as it appears in the later English rolls.¹ Geoffrey de Vinsauf calls them by this name, where, referring to the start from Sicily, he writes—

"He sent forward his betrothed, with his sister, the dowager queen of Sicily, in advance, in one of the ships which are commonly called dromons; . . . he had also placed some knights on board, and a numerous retinue of servants, for their comfort and safe keeping. These kind of vessels are slower than others, on account of their burthen, but of stronger make."

The "others" here referred to are probably the galleys, although Richard of Devizes tells us that, in starting from Marseilles, the galleys followed the busses,² whereas Geoffrey relates that, on the departure from Sicily, the "dromons" kept "in the rear, as Richard had planned; . . . while the galleys purposely relaxed their speed, and kept pace with the ships of burthen."³ To serve as a beacon in the darkness, the king had "as usual, a very large wax-light in a lantern hoisted aloft in his ship, to give light to the rest of the fleet and direct them on their way." These "dromons," although slow-sailing craft, were steady vessels, and more reliable in the long run than the swifter galleys, which became utterly unmanageable in a storm. We do not know anything of the size of either kind of ship, but probably the largest "buss," or "dromon," was the one carrying the queens, and which is in one place described as an English ship, and in another as the "buss from Lyons." This vessel carried an equipment of forty horses and arms for forty men, besides forty foot and thirty mariners. If we add the royal attendants we should bring the number to about one

¹ Hardy's "Analysis of Rymer's *Fœdera*," ii. 27-29, 32, 33.

² Richard of Devizes, p. 37, sect. 59, Bohn's edit.

³ Geoffrey de Vinsauf, Bohn's edit., p. 178.

hundred and fifty persons. These ships were probably about one hundred feet long; but they must have been wide and very deep in the water, hence the slowness of their speed. Their burden can hardly have exceeded fifty tons. The ordinary ships would vary in size, and some possibly were quite small fishing smacks of about ten tons burden, and could not carry more than twenty people. The king and his knights were on board the galleys, which must have been of a considerable size, and were worked by oars or sails alternately. Each wealthy noble voyaged in his own galley, which had his arms painted beneath the prow. Some of these were of sufficient size to carry two or three hundred men. The sterns and prows, especially in King Richard's galley, were raised much above the water,¹ after the manner of Vergil's "lofty poop,"—affording a seat or standing-place for the king and his immediate attendants, where he probably dined in fine weather, played dice or listened to music, and beneath which was the royal apartment and the adjoining chambers of his suite.

The men-at-arms, archers and mariners would have to feed and sleep in the hold as best they might. By reason of the limited accommodation on board, the king travelled with only a small household,² and his chief nobles voyaged, as I have said, in a galley apart, but probably attended the royal deck whenever the king was pleased to summon them. Geoffrey de Vinsauf, who speaks with the weighty testimony of an eye-witness, describes the war galley of his day³ as seldom possessing more than two banks of oars; as being "long and graceful, not high out of the water," and having "a piece of wood at the prow which is commonly called the spur; with which the enemy's ships are struck and pierced." "Galleons are vessels with one bank of oars manageable from their shortness, easily turned, and light for running to and fro; they are better suited for throwing fire." He further adds how "on the upper row of benches were arranged shields close together, and in one the rowers sat, in order that those who were on deck might have free space for

¹ Geoffrey de Vinsauf, p. 164. Cf. "puppi . . . ab alta," *Aeneid*, v., 12.

² *Chronicles of the Crusades*, Bohn's edit., p. 13.

³ *Ibid.*, p. 115.

fighting." According to Geoffrey's description of a sea-fight, the great idea was to strike the enemy in the flank with the galley's beak, and to avoid being thus hit by your foe in turn. The ship had thus to be kept continually "bows on" to the enemy, but when the vessels got hopelessly mixed up, and the oars became entangled, they fought hand to hand—

"having grappled each other's ships together ; and they fire the decks with burning oil . . . One galley, unskilfully managed by our men, exposed its flank to the foe ; and, being set on fire, received the Turks as they boarded her on all sides. The rowers in their fright fell into the sea ; but a few soldiers . . . took courage from desperation . . . a few of them overcame numbers, and . . . brought back the half-burned vessel in triumph. Another ship was boarded by the enemy, who had driven the combatants from the upper deck, while those who were below strove to escape by the help of their oars . . . yet our men prevailed, and the enemy who rowed on the upper deck, being overcome, and thrust down by the Christians, yielded."

Thus far, then, of the ships and galleys such as were used by Richard I. on the third crusade—a heterogeneous mixture of vessels, large and small, gathered from all parts of the Norman, Breton, Provençal and Genoese seaboard, with a small squadron of English ships and galleys, furnished either by the Cinque or adjacent ports. There may have been fifty English ships, probably not more, and these of small size compared with the great galleys and dromons of Marseilles and Genoa. Indeed, the size of these early mediæval ships seems to have varied much with the latitude and longitude: the further south and east men travelled, the larger were the ships they met with; and two chroniclers of the time have recorded the amazement and wonder that the sight of a monster Saracen ship created in the minds of the English and Norman crusaders.

Richard of Devizes writes of it as—

"a ship of immense dimensions . . . a wonderful ship, a ship than which, with the exception of Noah's ark, we do not read of anything greater, . . . fortified with towers and bulwarks."¹

Geoffrey de Vinsauf, an eye-witness, remarks that—

¹ Pages 39, 40, sect. 62.

"the king began to wonder at its immense size and compact make, for it was crowned with three tall masts, and its sides were marked with streaks of red and yellow. . . . Our men relished not . . . the great height of the ship."

It was, however, successfully boarded by the king's men, and destroyed and sunk by repeated blows from the spurs of the galleys. The vessel thus described was probably one of two or three hundred tons burden, compared with which the tiny English thirty and fifty ton craft would appear small and insignificant indeed. The mention of the number of the masts confirms the conjecture that single-masted ships only were known and used in Western Europe at this time.

Such English mariners as returned alive from the crusade of 1190 would no doubt talk at length of the large vessels they had seen, and the experience of the commanders might have weight in bringing the English ships as far as was possible, considering their small size, up to the European fighting standard of that day. But the mariners and masters of the Cinque Ports were doubtless peculiarly conservative in their ideas about shipping, and the fact that a suggestion came from overseas was calculated to prejudice them hopelessly against it.

England's contribution to the fleet which conveyed Richard I. to Messina had probably strained to the utmost the resources of the southern ports, and it was possibly in return for this, or for some other extraordinary service, that Richard at Messina, in 1191, confirmed to the men of Rye and Winchelsea their privileges as under Henry II., they finding two ships to complete the twenty ships of Hastings.¹

Of any advance in the growth of English shipping during the following, the thirteenth, century we read little. The reigns of John and of Henry III. were bankrupt periods, by reason of the unsettled condition of the country and the heavy taxation imposed. It was not a time when merchants were tempted to invest capital in any kind of hazardous venture, least of all in building ships which might at any moment be requisitioned by the Crown.

¹ *Fœdera*, R. i. 53, Mar. 27, 1191.

In his determination to get some sort of a fleet together, John, in the year 1208, gave his mariners a royal *charte blanche* to aid the barons of the Cinque Ports in arresting all ships found on the high seas, and in conveying them to England.¹ In thus pandering to the inherited piratical instincts of English seamen, John probably fanned to a white heat the flame of enmity which burnt so fiercely during the rest of the century between the mariners of the English and Norman coasts. In return for this license the king subsequently, in 1213, required the service of the whole shipping from every port in England to be at Portsmouth by mid Lent.² This summons is constitutionally important, as it is, I believe, one of the first recorded instances of the requisition of the whole marine forces of the kingdom to serve the Crown. It afforded also a strong precedent for a somewhat unscrupulously frequent summoning of the merchant navy on the king's service, particularly in the numerous expeditions against Scotland.

Henry III. followed his father's example in exercising the royal privilege of ship purveyance. We read how, in 1235, he ordered his bailiffs in the ports of Norfolk and Suffolk to provision ten ships for the use of his sister Isabella.³ Again, in 1254, the barons of the Cinque Ports are required to provide shipping at Portsmouth to carry the queen and Prince Edward and others into Gascony. This was a highly dangerous service, owing to the constant enmity and watchfulness of the hostile marauders on the opposite coast. But this little fishing fleet of Dover and the adjacent ports took upon itself to defend the southern shores, and rejoiced rather than otherwise when it was sent forth to engage the enemy. In 1242 it was requisitioned by the king to fit out shipping to ravage the coasts of France;⁴ and so desperate became the condition of these fierce little seaports, owing to the constant demands on their naval resources, that it became at times necessary to summon the shipping of other ports to their aid. Thus, in July of the same year, 1242, the galleys of Bristol and of Ireland were commanded to the

¹ *Fœdera*, R. i. 96, April 8, 1208.

² *Ibid.*, R. i. 110.

³ *Ibid.*, R. i. 225, Mar. 24, 1235.

⁴ *Ibid.*, R. i. 246, June 8, 1242.

same service.¹ But the very fierceness of temper which gave these ports their fighting spirit was a source of trouble, and a stumbling-block in the way of national naval enterprise, for, owing to the burning feuds and jealousies existing between these and other seaports round the coast, it was impossible to work their combined fleets together, as the unruly barons were wont to turn on their own compatriots first, and proceed to settle with the enemy afterwards.² With the exception of the taking of Lisbon, Richard's expedition to Messina, Cyprus, and Palestine was the first and last distant foreign enterprise in which mediæval English sailors were engaged. But before passing to the increase in ship-building under the Edwards, it will hardly be out of place to notice the occasional glimpses of foreign mediæval shipping afforded by the memoirs of a great French noble, John, Lord de Joinville, who accompanied St. Louis on the sixth crusade in 1248, with a view to comparing the superior shipboard accommodation found in the Mediterranean with that on our own shores at a similar period.

The Sire de Joinville tells us that he himself joined the party of two other noblemen, whose company consisted of ten knights, and that they all embarked together at Marseilles, twenty knights in all, with their horses, armour, and, presumably, their grooms, on board "a small ship which we hired."³ Besides De Joinville's household, there were some priests and clerks on board, whom the captain made "mount to the castle of the ship, and chant psalms in praise of God, that He might . . . grant us a prosperous voyage." The knights' horses—or at least a number of them—were carried in this vessel, and "the ports of the vessel were opened" to allow them to enter. When all were on board, the port was caulked and stopped up as close as a large tun of wine, because when the vessel was at sea the port was under water. Shortly after, the captain of the ship cried out to his people on its

¹ *Fœdera*, O. 408, July 7, 1242.

² Cf. Stubbs, *Constitutional History of England*, vol. ii., p. 299; and vid. *Fœdera*, R. ii. 456, and ii. 993.

³ *Chronicles of the Crusades*, Joinville's *Memoirs*, p. 379, Bohn's edit.

prow, "Is your work done? Are we ready?" They replied, "Yes; in truth we are." This whole account reads so exactly like a modern description of an embarkation that I have transcribed it in full. The horses were evidently shipped in the hold under the bows, over which would perhaps be the passengers' sleeping cabin or cabins. They probably dined outside when the weather was good. A vessel that could accommodate upwards of eighty persons—twenty knights with at least a servant apiece, twenty ecclesiastics, and probably that number of mariners—and carry twenty horses or more, must have been of a tolerable size for those days, and yet it was styled as only "a small ship" by the writer. M. Depping, in his *Histoire du Commerce entre le Levant et l'Europe*,¹ quoting from these very memoirs, maintains that the French king and his forces were conveyed to the East on board fifteen Venetian vessels, which alone sufficed to take on board four thousand horses and ten thousand men. The largest of these ships, one hundred and eight feet long, was manned by one hundred and ten sailors, and would, he thinks, be equal to a man-of-war of sixty guns. Unfortunately I have not been able to find this statement in any edition of the memoirs that I have consulted.² On the contrary, I find it written of the French king's departure, that on the Saturday before Whitsunday—

"every vessel made sail, which was a pleasant sight to see, for it seemed as if the whole sea, as far as the sight could reach, was covered with cloth, from the great quantity of sails that were spread to the wind, there being 1800 vessels great and small."

On the other hand, Joinville gives a rather detailed account of the king's return journey, which may have been made in Venetian ships, although I do not find it thus specified. On this occasion, namely in 1254, there were only fourteen ships and galleys to carry the king and all his following. But we must remember that by this time the army was much diminished,

¹ G. B. Depping, *Histoire du Commerce entre le Levant et l'Europe depuis les Croisades jusqu'à la Fondation des Colonies d'Amérique*: 2 vols. in 1, 8vo, 1830.

² Bohn's edit., 1848 (translated by Col. Johnes, of Hafod), and *Hist de. S. Louis, Credo et Lettre à Louis X.* (texte orig. trad. par M. N. de Wailly; Paris, 1874, 8°).

and was probably only a remnant of what had originally set out. We have it from the king's own mouth that there were "five or six hundred persons on board" his own ship,¹ which we may believe was the largest in the whole fleet, and which the captains of the mariners assured him was of the value of from forty to fifty thousand livres.² Also as to the size of the galleys, we have varying accounts. Some that were accounted small could ship "eight horses;"³ others, like that of the Count de Japhe,⁴ must have been large to have had "full three hundred sailors on board," which, with the knights and men at arms, would bring the numbers not far below a thousand.

Evidently the accommodation on board the royal and noble ships was quite luxurious, for it is a subject of Lord de Joinville's especial remark that, when the king was hurrying from Damietta to Acre, on board a Genoese galley manned by "four score cross-bows,"—

"his attendants had not made any customary preparations for him on board, such as robes, bed, bedding, and other necessary things. He was thus forced to sleep on mattresses until we arrived at Acre."

On his final voyage home, however, he was better provided for, and, in addition to a sleeping apartment, seems to have had the use of a kind of deck saloon; for we read that, owing to a gale which arose,—

"all the partitions of the king's cabin were obliged to be destroyed; and so high was the wind that no one dared stay therein for fear of being blown overboard."

Probably it was in consequence of this that the king had to share a room with Joinville and the constable, for we read, immediately after, that—

"the queen came into the king's chamber, thinking to meet him there, but found only Sir Giles le Brun, constable of France, and myself, who were lying down. On seeing her, I asked what she wished? She said she wanted the king, to beg that he would make some vows to God and His saints, that we might be delivered from

¹ Joinville's *Memoirs*, Bohn's edit., p. 508.

² *Ibid.*, p. 389.

³ *Ibid.*, p. 391.

this storm, for that the sailors had assured her we were in the greatest danger of being drowned."

Lord de Joinville then advised her to vow a silver ship of the value of five marks to the shrine of St. Nicholas; and it is pleasant to read how the queen kept her word, and on her return to France—

" caused the ship to be made that she had vowed, and had introduced into it the king, herself, her three children, with the sailors, mast, and steerage, all of silver, and the ropes of silver thread."

On several occasions the king is referred to as fond of sitting on one of the ship's benches,¹ and, on the whole, appears to have been a good sailor. While on the Genoese galley, on the voyage from Damietta to Acre, it is related that the king one day inquired what his brother the Count d'Anjou was doing, and complained that, notwithstanding they were in the same galley, he never once thought of being in his company a single day.

" When the king was told that he was playing at tables with Sir Walter de Nemours, he arose hastily, though from his severe illness he could hardly stand, and went staggering to where they were at play, when, seizing the dice and tables, he flung them into the sea, and was in a violent passion with his brother for so soon thinking of thus amusing himself by gaming, forgetful of the death of his brother the Count d'Artois, and the great perils from which the Lord had delivered them."

Another small incident of ship-board life is related by the Lord de Joinville, concerning the—

" Lord d'Argones, one of the most powerful lords of Provence. He was annoyed one morning in bed by the rays of the sun darting on his eyes through a hole in the vessel, and, calling one of his esquires, ordered him to stop the hole."

The esquire, in attempting to do this from the side of the vessel, fell into the sea, and was left behind; but when the king's vessel came up, "one of the king's boats took him up and brought him on board our vessel." These minute and realistic descriptions bring the travellers of those times very near to

¹ *Memoirs*, p. 512.

us, and are of use in illustrating the humorous aspects of voyages in the Middle Ages.

But if we think six hundred passengers was a large number for a ship of one or at most two hundred tons burden, what shall we say of the crowding of the pilgrim ships at Marseilles? By a decree of the Marseilles commune in 1234¹ the military orders were allowed to send two boats a year to Palestine, and each of these might carry as many merchants as cared to go, and fifteen hundred pilgrims! On board the ship the pilgrim was, we are told, allowed two and a half palms of height and six and a half to seven of length upon which to sleep.

Judged by the contemporary thirteenth century manuscript representations of English ships, we shall find nothing in the least resembling these large, comparatively roomy Continental vessels in which St. Louis and de Joinville voyaged to and from Palestine. We must, of course, not take altogether seriously the primitive and ridiculous representation of Henry III. sailing to Brittany² in 1230, or the somewhat later representation of the same king sailing from Gascony in 1243³ in a ship which, while distinctly an advance upon the "men of Goshem" vessel of the former drawing, does not materially differ from the Bayeux Tapestry type of ship, and is merely a large open sailing boat with the high ends previously described as characterizing the Norman and Danish boats. Both these drawings are ascribed to Matthew Paris, although it is difficult to believe either of these primitive outlines to be from the pen of that famous historian, traveller, politician, monk, and courtier, as two modern writers have styled him.⁴

Matthew Paris was, it is supposed, a clerk of the Court of Chancery, and certainly was about the Court. He was doubtless acquainted with the shipping both of the Cinque Ports and of London, and we know from his own writings that he had sailed more than once across the North Sea to Norway—not

¹ G. B. Depping, *Hist. du Commerce entre le Levant et L'Europe*.

² *MS. Roy.*, 14, c. vii., 1230; see Green's *Short Hist. of the Eng. People*, illustrated edit., 1898, div. ii., p. 270.

³ *MS. Roy.*, 14, c. vii., *ibid.*, p. 276.

⁴ Gardiner and Mullinger's *Introd. to Eng. Hist.*, 1882, p. 271.

only to Bergen, but along that wild and rockbound coast to Trondhjem, where, in 1248, he had been sent, at the Pope's command, to set in order the affairs of the Benedictine monastery of Holme.¹ From the stormy nature of the Northern seas we know that only considerably sized vessels—of at least fifty tons burden—could weather the gales of that coast, and that for peaceable merchant and passenger service the largest and strongest ships of the coast would be used. Matthew speaks in another and previous place² of a visit to Bergen, where a frightful thunderstorm arose soon after his arrival, and how—

"a sudden flash of lightning struck a large ship which had arrived from England during the night, killing one man in it and wounding or severely bruising all the others, and, shivering the mast into small pieces, hurled it into the sea. . . . The writer of this work had come in the ship whose mast was broken, but at the time of the occurrence he was performing mass in a church near the sea-coast, singing a nautical hymn to return thanks to God after escaping the perils of the sea. When the above-mentioned circumstances were made known to the king, he, out of his regard for the person who had been on board the ship,³ ordered a larger and better mast to be supplied to it."

We must believe that the ship referred to was of a larger kind than any represented in mediæval drawings, and, without doubt, had roomy hatches or cabins at either end for the sleeping and dining accommodation of the merchants, patrons, and passengers who were accustomed to use them, and who, in venturing to Norway, were embarking on a voyage that might, if the wind were unfavourable, extend over several weeks. Still, neither on these nor on the royal boats of the day can there have been any accommodation to compare with that of the Mediterranean shipping, otherwise we should not have Matthew Paris's detailed and somewhat "open-mouthed" description of the ship of the Cardinal Bishop of Sabina, who, in 1247, travelled by way of

¹ Now called "Munkholm." The monastery, which was built on a small island about a mile out of the harbour of Trondhjem, has been long demolished, and its site is now used as a fort. Visitors are allowed to walk over it at leisure.

² Matthew Paris's *Chronicle*, Bohn's Library, vol. ii., p. 279.

³ I.e. Matthew Paris himself.

England to Norway, whither he was summoned to crown King Haco. The legate landed at Dover, but went direct to Lynn, where he spent three months collecting money from the churches, and preparing a vessel to his liking in which to journey at his ease. It may be that he merely landed at Dover, and sent his vessel round the coast to await him at Lynn, or—and the length of his stay at Lynn favours this hypothesis—he may have changed ships at Dover, and took one from Lynn, which he had fitted after the manner of the more luxurious Continental shipping to which he was accustomed. Had the account of it come to our hands from the ordinary ignorant monkish sources, there would be nothing particularly instructive in it, but coming, as it does, from Matthew Paris, the passage has for me a peculiar significance, as indicating that nothing of the kind had been ever used or seen by him upon the English or Norwegian seas.

"When about to embark," says Matthew, "in a ship which he had richly stocked with a large quantity of corn, a great many casks full of choice wine, and other provisions, he ordered a brother of the order of preachers to perform mass in it, which was done, causing great wonder amongst many who had never before seen that service.¹ On board that ship, *as we read was the case in Noah's ark*,² there were passages and decks one above another, chambers and dining-rooms, which had been constructed on purpose for him. In this manner, therefore, . . . he committed himself to the North Sea, with a fair wind blowing, after bestowing his blessing on England and the prodigal English."

It is difficult not to see in this passage the expression of a certain covert irony, on the part of the austere and roughly travelled monk, at what he evidently regarded as the effeminate luxury of the Italian cardinal. But apart from the proneness of the Englishman's disposition to ridicule Italian effeminacy, this passage affords, I think, quite conclusive evidence that

¹ Cf. "the ship's altar," as referred to by Joinville, Bohn's edit., p. 507.

² The italics are mine.—A. L. This comparison with the ark seems to have been a favourite one with mediæval writers,—as, for instance, it is used by Richard of Devizes, vid. Bohn, p. 40, in describing the monster Saracen ship: "A wonderful ship—a ship than which, with the exception of Noah's ark, we do not read of any being greater."

even the English king of that day did not possess such a luxuriously fitted vessel, otherwise the writer would not have made a point of emphasizing his description so strongly as to imply that, to his knowledge, there was no such vessel seen since the building of the ark. But the bishop was, doubtless, only providing himself with the sort of accommodation he was accustomed to, and which, as I have tried to show, was commonly found in the best Mediterranean ships, such as those used in 1248 by St. Louis and de Joinville, but whose fashion had not yet been adopted either at Dover or Southampton, much less in the rustic fishing ports of Lynn or Yarmouth.

The English ships of this period remained small, and were really only rude fishing smacks or clumsy merchant vessels. The average price, even of a large fourteenth century English boat was something between £80 and £150. The *Nicholas* of Hamo de Chigwell is mentioned in 1318 as valued at two hundred and fifty marks, or between £160 and £170.¹ Small boats were valued at twenty-six or twenty-eight shillings, or at one mark, and in 1328 a boat with all her tackle is only priced at ten shillings.² Sea-going vessels seem to have been very commonly in use, and many monasteries had their own ships, which they sent for victuals or coal.³

The mariners in the king's service were well paid, as wages went then. They seem to have received threepence a day;⁴ but doubtless it was necessary to hold out some strong inducement for enlistment, as life on board a mediæval fighting ship must have been terrible indeed.

The typical English fighting merchant boat of the late

¹ Cf. also *La Cogge Notre Dame of Exmouth*, with all her tackle, price £140 (*Cal. of Close Rolls*, 3 Edw. III., Mar. 8, m. 29); *La Bonane*, of Boston, price £140 (*ibid.*, 1 Edw. III., Dec. 2, m. 9).

² *Close Rolls*, 2 Edw. III., June 28, 1328, m. 21. Of course it is hardly necessary to remind the reader of the difference in value between the shilling of then and now.

³ Cf. *Cal. of Pat. Rolls*, April 3, 1298, m. 22, p. 387; and again, *ibid.*, Sept. 20, 1300, m. 7 (1299–1301); and *ibid.*, Feb. 6, 1301, m. 22.

⁴ *Cal. of Close Rolls*, 1 Edw. III., pt. i. (p. 9), Feb. 22, 1327. The agricultural labourer of the fourteenth century only received a penny a day, which was raised to twopence after the Black Death.

thirteenth or early fourteenth century was probably found, if anywhere, in the fleet of the Cinque Ports, and, most probable of all, in the principal town of the five—at Dover. We have, in fact, rather more than conjecture to work upon, for the seal of Dover,¹ dated 1305, has upon its reverse side the representation of a ship, which we may take as the most authoritative specimen of shipping that is given to us up to the close of the thirteenth century. The only respects in which this ship differs from the previous representations are—first, in its square, high-mounted fighting platforms, fastened on a level with the high-pointed ends of the ship, and having the appearance of a large square table fixed at bows and stern; next, in the long ropes attached to the ends of the yardarm, which, perhaps, running through rings on the canvas, held the sail in position; and lastly, the small look-out box, or “crow’s nest,” at the top of the mast, the embryo of the “mast castle” which we hear of in the late fourteenth century. This last addition, more than all the others, goes to prove the increased burden of the vessels, as only a ship approaching one hundred tons burden could afford to carry a heavy weight at the top of the mast. The rudder in this ship is still worked over the side of the ship, and there is no deck visible.

Now this relief of a late thirteenth or early fourteenth century ship is peculiarly interesting, representing, as it does, the connecting link between the old Viking boat with high-pointed ends and the later fourteenth and early fifteenth century turret-ship, in which the high-pointed ends of the twelfth century vessel and the removable platform fixed over them are replaced by the solidly built fore and after castle, incorporated with the very frame of the ship in the form of a high square cabin at either end, whose flat-turreted roof served as a fighting platform for soldiers.

With the dawn of the fourteenth century we enter upon a new development of English commerce,² and, consequently, of

¹ See Green's *Short Hist. of the Eng. People*, illustrated edit., 1893, div. ii., p. 389.

² I have treated of this in a paper read before the Royal Historical Society, Mar. 23, 1895, and printed in vol. ix. of that society's *Transactions*.

English shipping. The death of Henry III. may be said to mark the close of the great crusading period, during which English shipping had been left to fight out its own salvation and that of the coast towns committed to its care, as best it might. But men's eyes were beginning to be opened by the terrible experiences of the crusading armies, and by the pitiless exactions of the Papacy. That age of chivalrous heroism and of disinterested religious devotion of which Richard Cœur de Lion in England, and S. Louis in France, were the passionate exponents, was fast passing away. Europe was growing out of its dreamy and nobly impulsive—if sometimes quarrelsome—boyhood, and, taking its cue from the Papacy, began to look sharply after its own temporal interests. The passing bell of the Templars tolled the knell of the great mediæval spirit—the spirit of Christian chivalry. The Church, having abandoned the most glorious of her military orders, could hardly expect enthusiasm from her remaining followers; and never again was she to see a united Christendom marching under her banner to do battle for the Christian ideal. Following the Church's example, the nations of Europe were henceforth to be occupied in fighting for each other's temporal possessions: and though many a gallant deed might still be done in the cause of chivalry, blows were no longer struck against the infidel in the name of Christ.

The close of the fourteenth and even of the fifteenth century is usually assigned as the period marking the division between the mediæval and the modern age, but, to my mind, the division should be placed further back. With the opening of the fourteenth century, the age of modern social practice and economic calculation had begun, and men were already resenting the application of their money and goods to the furthering of other than their own private and personal ends. The sturdy corporations of the towns, headed by the mayors and aldermen, were already feeling strong enough to resist the king's imperious demands for money, or the bold and unscrupulous purveyances made by his officers. On all hands the maxim was being enforced that the king *must* live of his own. Nowhere was the cry more loudly echoed than among the merchants and shippers

of the coast towns, for nowhere was the inconvenience of a hasty purveyance more grievous than in the seaports where the royal bailiffs presumed on the ancient privilege of impressing ships for the king's service. The serious loss entailed upon buyers and sellers of marketable goods waiting to be transported to a fixed destination can be well imagined: orders for goods could not be carried out, when the vessel that was about to weigh anchor with the next favourable breeze was boarded by the king's bailiff and his men, forcibly impressed, and its cargo thrown hurriedly upon the beach. The double expense of reloading and of rehiring, together with the risk of delay involved in losing the necessary sailing wind, made this requisition of merchant ships one of the crying abuses of the time.

The money payments offered in return by the Crown, and the wages paid to the mariners on their return from such service, were not a sufficient inducement to suffer such forced loans patiently. But the genius of the first Edward saw a way out of the difficulty, and it was with his accession that the threatened danger of a revolt of the merchants was warded off.

Edward I. was the first king who relinquished the dream of Eastern conquest for the more practicable reality of settling the national affairs. Edward recognized the importance of the burgher class, he flattered it and cherished it, and by frankly allying himself with its great trade aims he won it completely over to his side. He made the merchants see that their cause was his, and that they must stand or fall together. This condition of sound mutual confidence between the king and his merchants, of a newly created faith in the equity of the Crown, was something strangely novel in English history: it amounted almost to the establishment of public credit.

His first measures were particularly reassuring to the jealous mercantile mind of the time. He ordered the expulsion of the Jews from Winchelsea,¹ permitted the merchants of Ireland to trade in England,² and in 1274 appointed a commission to inquire into the dispute between the merchants of England and

¹ June 18, 1273: Rymer's *Fœdera*, i. 503.

² *Ibid.*, i. 505.

Flanders.¹ Closely upon this followed the appointment of a commission to inquire as to "Judaizing Christians" who extorted illicit usury,² and who clipped the coinage. Furthermore, the king, to the best of his ability, promoted peace between his seamen and all others, notably between the men of the Cinque Ports and of Bayonne, whose quarrel was of long standing.³ In June, 1278, he granted a fresh charter of liberties to the barons of the Cinque Ports; and in 1285, the grievance of compulsory unloading of ships there having been presented, the king and his council framed certain regulations concerning it.⁴ His care for the protection of foreign merchants here⁵ proves his anxiety to safeguard the persons and goods of his own merchants abroad. Whether ulterior motives were at work in his mind or not, the fact remains that his famous summons of John Balliol, in 1294, was—nominally at least—on behalf of a foreign merchant, one John Mason, a merchant of Gascony, who appealed to Edward from a denial of justice in Scotland.⁶ So seriously did Edward espouse the cause of the merchants that no quarrel of theirs was too insignificant for him to inquire into.⁷ And the regulations drawn up in 1297 respecting the shipping and commerce between England, Bayonne, and Flanders are typical of the trouble he took in furthering to the best of his power the commercial interests of the realm.

This very hasty summary of Edward's commercial legislation is offered to show what claims this great king had on the merchant navy, and what reason the merchants had to trust him. But Edward took a heavy toll of service in return, although he was careful never to requisition the fleet without good reason. In 1294 he issued his royal protection to all mariners while on the king's service;⁸ and next year summoned all ships carrying forty tons of wine, found between the mouth of the Thames and London Bridge, to be ready with their crews

¹ *Fædera*, i. 518.

² *Ibid.*, i. 589.

³ *Ibid.*, i. 542.

⁴ *Ibid.*, i. 654.

⁵ *Ibid.*, i. 484; i. 588, 655, 753, 759, 797, 852.

⁶ *Ibid.*, i. 787.

⁷ *Ibid.*, i. 959.

⁸ *Cal. of Pat. Rolls*, Nov. 24, 1294, m. 18, p. 126.

and gear, when wanted.¹ In August, 1297, followed the arrest of all vessels of forty tons and upwards for the king's passage to Flanders,² and in February, 1298, a similar summons of shipping to carry him home again from Sluys in Flanders.³ This last summons was issued to the towns of Yarmouth, Ipswich, Harwich, Baudreseye (*sic*), Gosford, Orford, Dunwich, Blakeney, Yornham (*sic*), Holm, and Lynn; also to the bailiffs of Southampton and Sussex, except to the towns of Portsmouth and Winchelsea.⁴ From another roll we learn that the king required a hundred vessels for this service.⁴

Then followed heavy requisitions for the king's expeditions to Scotland. Accordingly, in 1299 the king orders the bailiffs of Yarmouth and forty-one other ports in England and Wales, and six in Ireland, to provide him with shipping for Scotland.⁵ Again, in 1301 we have the following contribution of ships to the navy against the Scots:⁶—London, 2; Northflete, 1; Clyde, 1; Gillingham, 1; Sheford, 1; Aldrinton, 2; Southampton, 2; Weymouth, 1; Exmouth, 1; Yarmouth, 6; Ipswich, 2; Harwich, 1; Gosford and Baldesly, 2; Dartmouth, 2; Shoreham and Portsmouth, 1; Poole, 1; Orford, 1; Dunwich, 1; Blakeney, 2; Holm and four other parishes, 1; Lynn, 1; Teignmouth, 1; Plymouth, 1; Loo, 1; Lynn, 3; Hull, 1; Waynfleet and Saltfleet, 2; Whitby, 1; Bridgewater, 1; Fowey, 1; Ravenser, 1; Hedon, 1; Newcastle, 2; Scarbororough, 2; Hecham and Plichene, 1.

In 1302, the king having arranged for this fine supply of ships, was able to remit to the Cinque Ports half their bounden service of ships; that is, he accepted twenty-five in the place of the fifty-seven.⁷ The reason probably was that the Cinque Ports asserted their peculiar privilege of only serving in the Channel, or in defence of that part of the coast entrusted to their care. They did not like being sent on distant service, and,

¹ *Cal. of Pat. Rolls*, Sept. 15, 1295, m. 9, p. 146.

² *Ibid.* (1298-99), Aug. 2, 1297, m. 10, p. 30. ³ *Ibid.*, Feb. 4, 1298, m. 28.

⁴ *Fædera*, R. i. 892, Feb. 4, 1298.

⁵ *Ibid.*, R. i. 928.

⁶ *Cal. of Pat. Rolls*, March 27, 1301, m. 20, p. 583.

⁷ *Fædera*, R. i. 945, Nov. 7, 1302.

as was subsequently proved by the burning of the south-coast towns by the French, there was good reason for not taking all the vessels away and leaving the southern ports defenceless.

In July, 1306, Edward commanded his admirals to come to him in Scotland without delay. This summons illustrates the organization of separate fleets, which the rivalry of the various ports necessitated. Because of local feuds it had been found necessary to keep the mariners of one port from working with those of another, so that by a separate summons for the Cinque Ports under their admiral, and of the east coast generally from the Thames to Berwick under another admiral, and of the ports south and west of the Thames (the Cinque Ports, of course, excepted) under a third, it was found possible to keep the various contingents from fighting amongst themselves.¹ Such, roughly speaking, were the demands made on the merchant fleet by Edward I. But the growing unwillingness of merchants to send their ships on fleet service drove the king to have recourse to another expedient, that of collecting a private royal fleet, which should be immediately dependent on the will of the Crown, and be supported at the royal expense. To this end Edward made no scruple of confiscating all ships convicted of piracy on the high seas, whether English or foreign. He either kept these for his own use, or sold them to merchants and bought others with the money, or more frequently he leased them out to certain of his trusty sea-captains—say, the Alards of Winchelsea—on the “distinct understanding” that they were to be at the king’s disposal when required. A notable instance of this occurs in the grant of 1297—

“to William le Gettur of the better of the two ships belonging to men of Estlond, taken among others at sea, as forfeited to the king, . . . on condition that he repair it at his own cost, and be ready at the king’s will to go forth on the king’s service.”²

¹ Even in 1335 the king orders J. de Norwich, admiral of the fleet from the Thames northwards, who is searching for hostile galleys with a fleet of ships of Great Yarmouth, to hold no communication with the men of the Cinque Ports, in consequence of dissension between them and the men of Great Yarmouth (*Fœdera*, R. ii., pt. ii., 943).

² *Cal. of Pat. Rolls*, Mar. 10, 1297, m. 10, p. 234.

Edward had also recourse to another and more direct expedient, which was the building of war ships. He ordered the laying down at least of four galleys—one at Lynn, two at Great Yarmouth, and one at Southampton. They were not, however, all completed in his lifetime, but we hear of them in the next reign. The one at Lynn was for 120 oars;¹ that at Southampton was for the same number, and was ordered to be sent provided with men and arms to Winchelsea, there to set out with the fleet of the Cinque Ports against the king's enemies.² In 1313 we read of the burgesses of Great Yarmouth claiming £250 expended, by order of Edward I., in the making of two galleys in that town.

No doubt there were other orders for ships and galleys, of which the record is lost; but the existence of those just quoted proves what strenuous efforts the king was making to free himself from utter dependence on the national shipping.

Edward II. seems, in the particular of these galleys and of many confiscated ships, to have reaped what his father had sown; but there are further indications that this ill-fated prince did actually enter into his great father's labours in the matter of the fleet, both by the purchase and preservation of shipping. Edward II. is, indeed, the first English monarch whom we find in recorded possession of a fleet of royal ships, whether owned directly by the king, or merely nominally his, and leased out to masters who were at the royal disposal when required.

Among the "king's ships" whose names have come down to us are *La Godale* of London³ (not, I think, to be confused with the better known *Godale* of Yarmouth); the *Holy Ghost* of Sandwich;⁴ the *Isabella* of Westminster;⁵ *La James*, *La Petre*, and *La Weliwonne*, all of Westminster;⁶ *La Johanette*,⁷ of the same town, mentioned in another place as being

¹ *Cal. of Close Rolls*, Mar. 7, 1312, m. 8.

² *Ibid.*, Aug. 26, 1312, m. 27.

³ *Cal. of Pat. Rolls*, 1 Edw. II., pt. ii., Mar. 27, m. 18.

⁴ *Ibid.*, 3 Edw. II., Feb. 29, 1310, m. 19.

⁵ *Ibid.*, 2 Edw. II., 1309, m. 16.

⁶ *Ibid.*, 6 Edw. II., pt. i., Sept. 5 and 6, 1312, m. 19.

⁷ *Ibid.*, 5 Edw. II., pt. i., Oct. 29, 1311. Cf. also *ibid.*, 5 Edw. II., pt. ii., July 8, 1312; and 6 Edw. II., pt. i., Oct. 10, 1312, m. 14.

manned by sixty mariners, and bound for Scotland, together with other of the king's ships, namely, *La Marie*,¹ and *La Nicholas* of Westminster, each with the same crew of sixty men; *La Swalue*, with thirty men; and the king's ships, *La Katerine* and *La Margarete*.¹ Other king's ships mentioned are *La Mariole* of Westminster;¹ *Le Mighel*,² and *La Palmer* of the same place.³ In addition to these, we have scattered references to one or two of the king's "great" ships, as they are called; notably, the *La Plente* of Westminster, and the more famous *La Cristofre*, of subsequent Sluys renown.

In a roll of 16 Edw. II., we get a discharge of Nicholas de Acton, a king's clerk, of a commission of victuals delivered to divers ships to be taken to Berwick and Newcastle. Among the ships mentioned are *La Mariole* of Sandwich, *La Welywone* of Westminster, *La Palmere* of Wynchelsea, *La Isabel* of London, and *La Swalue* of Dover. It is very probable all of these were king's ships, possibly the very ones we have previous notices of, but in this roll they are not entered as royal vessels.

There are more references than one to the king's "great" ship *La Plente* of Westminster (as distinguished from "La Plente" of Lynn).⁴ But of all the ships in the fleet, the *Cristofre* has the most romantic history. It was bought for the king, at Great Yarmouth, by one John de Sturmy, who was sent in 1313 to bring it, manned and equipped, to Westminster.⁵ It was probably the property of a certain Robert Wych, merchant and burgess of Great Yarmouth, whom, in 1300, we find sending his ship *La Cristofre* to Norway to buy masts and other goods.⁶ The king knew that a vessel that had weathered the gales of that wild northern sea would be trustworthy

¹ *Cal. of Pat. Rolls*, 5 Edw. II., pt. ii., June, 1312, m. 3.

² *Ibid.*, 6 Edw. II., pt. i., Aug. 12, 1312, m. 22; and 6 Edw. II., pt. i., Oct. 2, 1312, m. 14; and 8 Edw. II., Sept. 8, 1309, m. 35.

³ *Ibid.*, 3 Edw. II., 1310, m. 9.

⁴ *Ibid.*, 5 Edw. II., pt. i., Sept. 24, 1311; and 5 Edw. II., pt. ii., Feb. 12, 1312, m. 21; *Cal. of Close Rolls*, 5 Edw. II., May 26, 1312.

⁵ *Cal. of Close Rolls*, Feb. 13, 1313, m. 18.

⁶ *Cal. of Pat. Rolls* (1299-1301), Mar. 26, 1300, m. 24, p. 496.

enough for his expeditions to Scotland, whither, accordingly, in 1315, after being brought into harbour at Orford,¹ she was sent² in the company of John Botetourte, captain and admiral of the "fleet of the king's ships."³ The peculiar wording of this roll confirms the theory that in this reign, at least, we come upon a fleet of ships belonging to the king personally, and utilized by no other person. The existence of such a fleet of barges, ships, great cogs and war-galleys, affords some justification for the proud title assumed by Edward II., "Lord of the English Seas."⁴

Edward I. bequeathed to his son the burden of the war with Scotland, and the young king's preparations for his northern advance were very detailed and on a large scale.

The fleet was to accompany the expeditions, so that in case of a dearth of provisions they might fall back on the supplies it carried. In 1308, therefore, the men of Shoreham, Portsmouth, Southampton, Exmouth, Lymington, Poole, Weymouth, Lyme, Teignmouth, Dartmouth, Plymouth, and Bristol were each required to furnish immediately a ship with armaments, and manned by forty-two men.⁵

Again, in 1310, the king ordered the bailiffs of Shoreham and thirty-five other ports to supply him with ships for the Scotch war.⁶ The towns named are Portsmouth, Southampton, Lymington, Poole, Wareham, Weymouth, Melchecombe (*sic*), Lyme, Exmouth and Exeter, Teignmouth, Dartmouth, Plymouth, Colchester, Harwich, Ipswich, Dunwich, Orford, Little Yarmouth, Great Yarmouth, Burnham and Holkham, Saint Botolph, Lynn, Grimsby, Ravenser, Hull, Scarborough, Pevensey, Hartlepool, Newcastle, Newby, Gloucester and Bristol, Bridgewater.

Of this list all the towns furnished one ship excepting Southampton, Ipswich, Hull, and Newcastle, each of which furnished two, and Lynn, which supplied four, and Great

¹ *Cal. of Close Rolls*, 2 (1313-18), 8 Edw. II., April 10, 1315, m. 11.

² *Ibid.*, 8 Edw. II., April 27, 1315, m. 9.

³ The italics here are mine.—A. L.

⁴ Vid. Stubbs, *Const. Hist. of Eng.*, vol. ii., p. 397; and note (5), *ibid.*

⁵ *Cal. of Close Rolls*, July 10, 1308, m. 22d.

⁶ *Fœdera*, Rymer, ii. 109, June 18, 1310.

Yarmouth, whose contribution was no less than six vessels. But this was not enough for the needs of the war, and again, in 1310, a new levy is required from the mayor of Dover and forty-one other ports.¹ Similarly, in 1311, Bristol was required to furnish two ships fully armed, and provisioned for seven weeks, and the following towns in order:—Bridgewater with Ilfracombe and Barnstaple, 3 ships; Portsmouth, 1; Shoreham, 2; Wareham, 1; Southampton, 3; Poole and Lymington, 3; Seton and Sidmouth, 2; Weymouth, 2; Lyme, 2; Exeter, 2; Teignmouth, 2; Dartmouth, 3; Loo and Fowey, 2; Plymouth, 1; Chester, 2; Conway, 1; Cardigan, 2; Tenby, 2; Chepstowe, 1; Cork, 3; Waterford, 3; Wexford, 2; Droguedha, 3; Roos (*sic*), 3; Dublin, 3; Youghal, 3; Carrickfergus, 2.² On July 26, 1313, the king ordered that various ships and mariners be provided—that is, impressed—for the use of the realm. In this order the sheriffs of Norfolk and Suffolk were required to arrest ablebodied mariners and thirty of the best ships on that coast to be brought to Sandwich; the sheriff of Exeter was to bring a similar number to Sandwich; and the sheriffs of the southern counties to arrest men and ships between Plymouth and Shoreham to be brought to Winchelsea.³ In 1314 the king ordered the barons of the Cinque Ports for their bounden service of ships.⁴ In 1315 John of Botetourte, admiral of the Yarmouth fleet—which *La Cristofre* was, as we have shown, commissioned to join,—was ordered to arrest thirteen “great Scottish cogges” lying in the port of Sluys in Flanders.⁵

Whether this excessive and continual levy of ships excited a protest or not, is not clear; but in June of this same year⁶ the ships arrested in Surrey, Cornwall, Devon, Hants, and Dorset for the Scottish war were declared free from arrest. Nevertheless, the king found plenty for his fleets to do; and in this year had to excuse himself from helping the King of France with a fleet against the Flemings,⁷ although he gave

¹ *Fœdera*, Rymer, ii. 114, Aug. 2, 1310.

² *Cal. of Pat. Rolls*, 4 Edw. II., pt. ii., May 23, 1311, m. 7, pp. 252, 253.

³ *Fœdera*, Rymer, ii. 223, July 26, 1313.

⁴ *Ibid.*, ii. 246, April 1, 1314.

⁵ *Ibid.*, ii. 265, Mar. 27, 1315.

⁶ *Ibid.*, ii. 269.

⁷ *Ibid.*, ii. 277.

orders for his captains to annoy their shipping.¹ Meanwhile he himself complained to the French king concerning the Calais Pirates who injured his shipping.² Again in difficulties for shipping, the king, in 1317, had recourse to the Genoese, who were asked to furnish him with five galleys, armed and manned, for the war with Scotland.³ In 1323 the king required twenty-seven in place of the fifty-seven ships the Cinque Ports were bound to furnish,⁴ and in 1324 he ordered the mayor of Southampton and those of twelve other ports to provide him with shipping for the purpose of vindicating his rights in Aquitaine.⁵ The ports laid under contribution were as follows:—Sandwich, 4 ships; Winchelsea, 6; Rye, 2; Faversham, 1; Seaford, 1; Little Yarmouth, 2; Shoreham, 2; Weymouth, 10; Portsmouth, 1; Hamelhole, 1; Boldre, 1.

In 1325 the king ordered the discharge of the ships thus arrested;⁶ but in 1326 gave orders to the men of Shoreham to annoy the French shipping. In this same year, however, we get another arrest of ships—this time, of all vessels of fifty tons and upwards.⁶

It will be imagined what a great increase of shipping there must have been during the half century that passed from the accession of Edward I. to that of his grandson Edward III., otherwise it would not have been possible to supply the excessive demand of ships for the Scotch expedition. Whether Edward II.'s orders remained dead letters or not it is difficult to determine, but they were probably not cheerfully obeyed, and his over-frequent summoning of the fleets seems to have brought the royal authority into contempt, for in the first year of his son's reign we come across instances of flagrant indifference to the royal orders. In August, 1337, Walter de Manny, admiral of the fleet from the mouth of the Thames westward, is commissioned to inquire into the names and offences of such masters and mariners as retired from the king's service

¹ *Fœdera*, Rymer, ii. 278; *ibid.*, ii. 279.

² *Ibid.*, ii. 813.

Ibid., ii. 516; and *Cal. of Close Rolls*, April 17, 1323.

³ *Fœdera*, Rymer, ii. 552.

⁴ *Ibid.*, ii. 614.

⁵ *Ibid.*, ii. 639.

without licence, or despised the king's order for the arrest of ships.¹

Edward III. saw the necessity of ending the struggle with Scotland, and made peace immediately. This gave the merchant navy time to recover a little before the great demands made on it, ten years later, in the great struggle with the Norman and Breton marauders, known by the terrible name of the Calais Pirates.

None the less Edward had no idea of abandoning the English maritime ascendancy, but he saw that the real enemies who threatened him were not the Scotch, but the French and Flemings. His first care was the fleet, and one of his first measures was to institute a complete survey of the king's ships. This was entrusted to the Constable of Dover and Warden of the Cinque Ports. He was commissioned to cause those falling into decay from neglect to be repaired, and was to certify to the king the number surveyed and repaired.² In the same year the king commanded a sale of his small ships and boats, learning that the same were deteriorating for lack of good keeping.³ This same year, also, the king chartered four large ships—

"each of the burthen of 160 tons, all well and sufficiently defended with fencible men under double manning . . . to conduct the king's treasure to Aquitaine."⁴

Among this fleet was the king's great ship the *Saint Edward*—probably of 150 tons burden—whose crew of mariners, to the king's great annoyance, plundered a Flemish ship they fell in with, and robbed her of wool and other goods to the value of £500.⁵ This was probably not the same as *La Cogge Edward de la Tour*—a king's ship manned by eighty men, mariners and

¹ *Cal. of Pat. Rolls*, 2 Edw. III., pt. iii., Aug. 20, 1337, m. 7d.

² *Ibid.*, 1 Edw. III., March 8, 1327, m. 20. The return of the warden would be an invaluable record of the king's private fleet. I have not as yet been able to come across it, if it still exists.

³ *Cal. of Close Rolls*, 1 Edw. III., Mar. 17, 1327, m. 9.

⁴ *Ibid.*, 1 Edw. III., pt. i., Mar. 3, 1327, m. 24, p. 14.

⁵ *Ibid.*, 1 Edw. III., Mar. 18, 1327, m. 8.

archers, sent to sea in 1337 with other ships, for the defence of the realm.¹

Another king's ship mentioned about this time (1337) is *La Grauntecogy*, for which four anchors and three cables had to be instantly made.² Other references are to the king's ship *La Rode Cogge*³ to *La Nicholas*⁴ of Westminster; and to several of the king's galleys, two of which are sent to Scotland, and a third, *La Phelippe*, to "Holland and Seland" in the same year, 1337.⁵

The increase of merchant shipping, which Edward I.'s paternal policy had done so much to foster, had brought with it its consequent drawbacks; the entry of the English merchant into foreign marts so roused the jealousy of the Flemings and French, that hostilities between the ships of the three nations were a matter of daily occurrence. Possibly the English were as bad as the others: seeing how prone they were to fall upon each other, it was hardly likely they would spare the enemy. Piracy on the high seas was rife all through this time, and Edward III. showed his grasp of the situation by acceding to a petition of merchants and mariners⁶ for the protection of their ships by a convoy of armed vessels fitted out for the king's service in Aquitaine.

Edward harked back to his wise grandfather's policy of soothing the merchants by protecting them against foreigners, and by avenging, as far as was possible, the injuries done to their ships at sea. Most of all, the hated "Pirates of Calais," or the "Normans," as they are elsewhere styled, were a thorn in the side of the English merchants. In 1339 these fierce sea-robbers had the audacity to burn Southampton: it was on this occasion that the royal ship *La Cristofre* was taken by them. It was the association of himself with the grievances of his merchants and mariners that made Edward III. for a time the popular hero-king. It was because they were stimulated by the king's

¹ *Cal. of Pat. Rolls*, 11 Edw. III., pt. i., Mar. 20, 1337, m. 37d.

² *Ibid.*, March 20, 1337, m. 19, p. 414.

³ *Ibid.*, May 18, 1337, m. 29d, p. 509. ⁴ *Ibid.*, May 3, 1338, p. 291.

⁵ *Ibid.*, June 1, 1337, m. 32.

⁶ *Ibid.*, 11 Edw. III., pt. iii., Jan. 4, 1338, m. 4.

interest that the merchants readily lent their vessels, and concentrated their attention on providing their ships with armed soldiers, and a high fighting deck at either end, which left the centre of the ship quite free for the free adjustment of the sail and rudder, which was now fixed, as in modern ships, at the stern of the vessel. These cogs were clumsy-looking crafts, but they were strong, and not easily overturned. It was not in galleys, but in vessels of this kind, that Edward III.'s great sea-battles were fought, especially that of Sluys, against the Calais Pirates in 1340, as well as that against the Spaniards ten years later.

In all the accounts Froissart gives, he is careful to emphasize the very point on which the older mediæval chroniclers lay such stress—the smallness of the English vessels as compared with the high-castled ships of other nations, especially of the Spaniards. He describes King Edward's excellent and orderly division of the fleet, his wise reserve of ships, and the amazement of the Normans when they saw that he led his fleet in person. He tells us how the Frenchmen put the *Christopher*, the large ship they had taken the year before from the English, in the van, but she was speedily taken, refilled with English archers, and sent to fight against the Genoese. Although the enemy were four to one, and the English were hard pressed, the recollection of the injuries inflicted on his people animated the king, who, as he had said before the battle began, was "determined to be revenged on them if possible." Froissart tells us "all the Normans were killed or drowned, so that not one of them escaped."

King Edward had still further injuries, done by the Lord Lewis of Spain, to avenge, when, in 1350, he fell in with the Spanish fleet. The picture Froissart draws for us of the king seated calmly in the front part of his own ship, listening to music, but from time to time looking up to the castle on his mast, where he had placed a watch to inform him when the Spaniards were in sight, and of his clear orders to the master of the ship to lay her alongside of the big Spaniard that was bearing down on him, seems a veritable foretaste of the later

and more famous encounter with a greater Armada. The king's vessel is described as "large and stiff, otherwise she must have sunk, for that of the enemy was a great one."

Then follows a vivid account of how the two ships crashed together, and rocked against one another, causing "the mast-castle in the king's ship to encounter that of the Spaniard, so that the mast of the latter was broken, and all in the castle fell with it into the sea." This seems at first strange reading, as we should have expected just the reverse to happen; but it may be explained by the fact that the mast-castle of the Spaniards, being higher than that of the English vessel, did not strike the king's ship, but rocked above it, whereas his castle struck the mast of the Spaniard with the result above related. From a further account of the same battle, it may be inferred that these Spanish ships were worked by more sails than one, as there is a reference to the gallant act of an Englishman, "who, with his drawn sword . . . leaped aboard the enemy, ran to the mast, and cut the large cable which held the mainsail, . . . and with great agility he cut other four principal ropes, so that the sails fell on the deck, and the course of the ship was stopped." In another place, referring to a subsequent engagement of the English with the Spaniards, Froissart comments on the report of an eye-witness who speaks of the English as fighting "in such small vessels, that one cannot but marvel how it lasted so long; but had their vessels been of the same size with their enemy's, the Spaniards would not have had the advantage." In yet a third place, the chronicler remarks how the Spanish vessels were larger and higher above the water than those of the English; from all which emphasis of this fact we must infer that the English fourteenth century ships, like those of the crusading period also, were notable everywhere for their small size, as compared with the ships of other nations. But the English seamen, equally with the Norwegians, knew what they were about; they knew that the secret of success in a sea-fight is capacity for the quick and neat handling of a ship. The great vessels of the Spaniards were unwieldy from their very bulk; once disabled they could neither turn nor fly, and lay

like huge wounded monsters at the mercy of the sea or the enemy. The English ships were probably as big as it was possible to work them with a single mast; when the double or treble mast became more general, then it was found possible to enlarge the ship in proportion to the amount of canvas it was proposed to carry.

These great sea battles of 1340 and 1350 broke the power of the French and Spaniards, and it is from the middle of the fourteenth century that, thanks to the care, skill, and courage of the First and Third Edwards, the prestige of the English merchant navy was universally acknowledged and established.

ALICE LAW.

NOTES AND MEMORANDA.

THE WORLD's CO-OPERATION.¹—The volume of statistics which the International Co-operative Alliance issued three months ago will, however incomplete in itself, surely be met with a hearty welcome by all who take an interest in co-operation. It represents the first attempt ever made to tabulate the information obtainable with regard to co-operative societies, not in one country only, but in all. As a matter of course the task undertaken must present difficulties which were not at once to be overcome. Of all economic movements co-operation appears to be that in which statistics have been least studied. It is a working man's movement, and working men do not care about statistics. Our Co-operative Union every year publishes a volume of such, admirable and complete as far as they go. But even they do not cover the whole ground, though restricted to one kingdom only. Abroad, there is practically only the Federation of Schulze-Delitzsch Societies which collects statistics with any care, and publishes any at all. In Italy Commendatore Bordio does his best to obtain statistical returns from co-operative societies. But evidently they will not send them. In Germany and Austria there is no sort of common or neighbourly feeling among co-operators of different unions and different nations or races. Accordingly joint action of any sort is out of the question.

The difficulties of the task taken in hand, in accordance with a resolution adopted by the International Co-operative Congress which met at Paris in 1896, were increased by the manifest necessity of entrusting the work to be accomplished, not to one man only, but to a committee on which all the principal countries must be represented, and of leaving the collection of materials, as a matter of course, in each country to that country's own representatives. The committee appointed includes some of the most able statisticians of Europe, such as MM. Bodio, Morisseaux, Cheysson and Moron, Baron Verschuer, Wrabetz and Crüger. However, all these men did not address themselves

¹ *Statistics of Co-operative Societies in Various Countries.* Prepared by the Statistical Committee of the International Co-operative Alliance. [330 pp. Demy 4to. 10s. King, London, 1898.]

to their work with equal zeal. Some, not here named, even refused to act at all. Those who did act were, of course, dependent upon the societies which were to furnish returns, and on the programme laid down for the inquiry by the full committee meeting at Paris. The difficulty of expense was happily got over to some extent by Count Chambrun's generous gift of 10,000 francs. As it happened, that sum, though apparently large, turned out to be by no means sufficient for anything like *full* statistics, and with some regret the English members of the committee, who were entrusted by their colleagues with the task of acting as an executive body, very soon found themselves compelled to suppress the details about the smaller societies—in Great Britain, generally speaking, below £5,000 annual business, and, abroad, below £2,000. In the work of so composite a body, there was, of course, much delay. The present volume was to have been issued last September, in time to be submitted to the Delft Congress. Since, however, the last questions sheet which *did* return did not return to London till January 26th, that was simply impossible. And questions sheets coming back were not so plentiful that the committee could afford willingly to forego one. In the best cases they did not, as a rule, state all that was wanted, and the consequence is that, in this volume of 330 large quarto pages, methodically arranged with every word printed in three languages, namely, English, French and German, and every value given in pounds, francs and marks, there is very little indeed which can be added up to a total, be it under the head of a country, be it under that of a particular form of co-operation. Nowhere is it possible to give a complete account of what is being done by co-operation, so as to compare one thing with another. All this, no doubt, will improve in due course, when co-operators become better accustomed to collecting statistics ; and if the present volume were to do no more, it will have accomplished this good of breaking the ground and preparing the field for future, more ample harvests. Further cultivation will be all the more easy since the statistical committee, at its last gathering, at Delft, resolved to proceed in future piecemeal—provided that funds are forthcoming,—taking one particular form of co-operation every year, and so tilling the ground progressively and methodically. The beginning is to be made with co-operative banking. Then will follow production, supply, agricultural co-operation, insurance, etc. However, it cannot for a moment be maintained that, even apart from such prospective utility, the statistical volume published has not very considerable present value, and is not full of interest. Albeit that its information is incomplete, and that whole countries, such as Russia, the United States, Spain, Denmark

and Sweden, are conspicuous by their absence, its figures give a very good idea indeed of the spread and power of co-operation in all the principal countries.

There is Great Britain, first, assigned the lion's share of the book, 159 pages out of 330, with its colossal "union" of 1741 societies, 1,492,371 members (61,322 of whom find employment in their own co-operative shop or workshop), and £57,318,426 annual business. Its strength lies at present mainly in the supply societies, which including the two wholesales, number 1472 with 1,483,422 members, whereof 53,821 find employment in their own societies, and do a business of £54,599,677 per annum. By the side of this gigantic power, co-operative production shows as yet very modestly, with only 259 societies, £2,625,947 annual business, and 38,637 members, whereof 7475 find employment in their societies' workshops. However, even these are no contemptible figures. The growth in supply co-operation at the present time proclaims itself rather in the increasing strength of societies already existing, than in the creation of new ones.

The particularly salient feature in German co-operation is the wonderful development of co-operative banking, which has, it is true, been lately overdone, thanks to the artificial, and by no means wholesome, stimulus given to it by one or two central banks largely endowed by the State. Rather a liberal discount will accordingly have to be allowed off the 9,417 banking societies recorded, in respect of pseudo-co-operation. However, when we find 1055 societies undoubtedly good—it is true, by far the largest—having 527,765 members, lending out in one year £83,684,000, we are able to judge of the magnitude of the business generally done. In all, Germany is reported as having 14,842 co-operative societies, whereof 9,417 are banks, 1,469 distributive societies, 172 industrial, 1765 agricultural productive societies, 165 building societies, 207 insurance and miscellaneous societies, 68 industrial and 45 agricultural sale dépôt societies, 23 industrial and 377 agricultural societies for the supply of instruments of production, and 66 industrial and 1128 agricultural societies for the supply of raw materials. The predominance, in respect of number, of agricultural societies is very striking. But the division into distinct unions, leading a cat-and-dog life among themselves, makes full statistics an impossibility.

Very different is the spectacle presented by co-operative organization in France, where otherwise rivalries and bellicosity appear to fall in with national tastes. M. Durand, the founder of a goodly host of village banks, closely approaching 700—all founded since 1893—has given offence to some other co-operators by his rather demonstrative

ultramontanism, and accordingly placed himself outside the accepted pale, though his banks are unquestionably good. But otherwise French co-operators study union among themselves, and mutual support between one form of co-operation and another, more than any of their brethren elsewhere. However, they evidently neglect statistics. The returns received from France were not only tardy, but now turn out most incomplete. The people's banks make no return whatever. Of all that active and bustling life which prevails among co-operating agriculturists, really at the present time the most striking feature in French co-operation, we only learn from this volume that there are 10 "unions" of societies, and 356 societies not attached to any union. There are only 145 supply societies which make returns, reporting 140,556 members, and 49,121,095 francs annual business; and 107 productive associations, reporting a collective members' roll of 5056 (1848 being employed in the workshops), and 14,426,531 francs of annual sales.

The figures given in respect of Austria and Hungary are still more disappointing. The returns for Austria fill only nine pages, and those for Hungary two. Of the thousands of co-operative banks established in Austria, only 122 furnish figures, reporting 53,586 members, and lending out, in 1895, £6,865,132. Hungary returns 807 credit societies in 1894, having about £6,800,000 due to them at the close of the year. The number of German co-operative associations of the Schulze-Delitzsch type alone, in 1896, is given as 1321.

Italy shows a little better in the volume, occupying thirty-three pages. But the information furnished is by no means full. And there are long lists of societies of all sorts which only just report their existence. A summary table shows that there were, in 1896, 3772 co-operative societies known to exist in Italy, among them 1012 supply societies, 754 people's banks, 667 village banks, 79 building societies, 400 dairies, 492 labour societies (*braccianti* and *muratori*), and 368 productive associations. Among the people's banks, 311 report a membership of 238,115, and 226, an annual business of £72,599,333. Among the village banks the "Catholic Banks" largely predominate; 425 of these report £1,971,761 lent out in 1896. Of the 492 labour societies, 24 report 9581 members, and £141,535 annual business.

Alike in Belgium and in the Netherlands, co-operation has been increasingly applied to agriculture. Belgium reports 31 agricultural societies, with 9,277 members (29 societies only), and an annual business of £564,450, and the Netherlands report as many as 388. But these figures do not include all that there is. Belgium is likewise strong

in supply societies, about half of them declared Socialist, the other half ultramontane. Some of these are rather considerable, as, for instance, the *Maison du Peuple* of Brussels, which reports 15,000 members, and close upon £100,000 annual business. Others are very small. The total list given is 79 supply societies, with 67,324 members, and £715,015 annual business. Among Dutch co-operative societies the admirable co-operative building societies call for special remark, also some excellent bakeries, of which seven report 19,036 members, and £110,709 annual business. The list here given enumerates 595 co-operative societies in all (including 2 in Batavia), of which 55 are distributive, 3 butcheries, 12 societies for the supply of fuel (a Dutch speciality), 122 agricultural supply societies, 22 bakeries, 4 industrial productive societies, 266 dairies, 59 building societies, 28 credit and insurance societies, and 24 miscellaneous.

There is very little said about co-operation in the two countries remaining to be mentioned, namely, Switzerland and Norway. Switzerland reports the existence of 65 societies, with 50,958 members (in 61 societies only), and an annual business of £807,436. Norway reports only 16 societies, of which 15 have 3410 members, and do £62,460 business. In Switzerland, at any rate, there is known to be a good deal more co-operation, more particularly agricultural and banking. The *Schweizerische Volksbank* alone reports, for the year 1897, a membership of 15,135, and a turnover of nearly £123,500,000.

It will be seen that the statistical survey leaves many gaps. Some of these are likely to be filled up in the present year. All are likely to be filled sooner or later. For a beginning, the present volume cannot be considered disappointing.

HENRY W. WOLFF.

WORKMEN'S ACCIDENT LEGISLATION ABROAD.—Following the example of our Parliament, which despatched a Workmen's Compensation Measure with laudable promptitude in the very session in which it was introduced, two foreign legislatures have within the past few months brought a long-continued state of uncertainty in their several countries to an end by adopting similar laws. The French Parliament, in doing so, evidently acted under pressure of the coming general election, now over. The Parliament of Italy was evidently genuinely bent upon settling a social question which *must* be settled, if there is to be peace between classes. In no case is the measure actually adopted accepted as anything like perfect. It is supposed to be the best that could be obtained under the circumstances. How little credit is taken for supposed perfection is apparent from the statement which

M. Maggiorino Ferraris, a late Cabinet Minister, made in the Italian Chamber, to the effect that he and his friends must decline to support *any* amendment to the Government proposals, however good or however plausible, in order not to give the Senate a fresh excuse for delay.

The *French* Workmen's Compensation Law was passed by the Chamber in March, and approved by the President on April 9th. It is a comparatively short measure, differing in respect of some features from the draft recently explained. It applies to workmen of, roughly speaking, all dangerous callings—building of every kind, factory work, mining, quarrying, warehousing, trades in which motive power other than human or animal is employed, or in which explosive substances are used—provided that those workmen do not habitually work singly, and only in respect of employment accidents disabling their victims for more than four days. There is no limit drawn with regard to wages, except that, for purposes of compensation, no wages exceeding 2400 francs (£96) per annum are to come into account. In respect of any claim, as between employer and employed, this measure, so far as it applies, supersedes all earlier legislation. Employers are bound, each individually, without any compulsion to associate themselves, to find the expenses of medical treatment, and, in case of death, the funeral expenses up to a maximum of 100 francs (£4). Should the disabled workman elect to be treated by a medical man of his own choice, the employer will have to pay within the limits of the official tariff of the department. In addition, the employer is required to provide compensation proportioned to the injury sustained, up to two-thirds of the annual wages, in case of total permanent disablement, and, in case of death, pensions for the widow married before the accident at the rate of 20 per cent. of the annual wages, to the widow married later a compensation corresponding to three years' pension for total disablement, for children and "dependants" at the rate of 15 or 20 per cent. of the annual wages, up to the age of sixteen, but in no case more in all than 60 per cent. of the dead man's wages. Pensions are to be unassignable and unattachable, but subject to revaluation within three years after the accident, and payable quarterly. When of sound mind, males and adult persons adjudged a pension may claim that one quarter of it be commuted into a capital payment, and paid at once, or else invested in an annuity, running during two lives, those of husband and wife. Clause twenty-one enacts that *after* judgment the two parties, employer and employed, may, by agreement, substitute some other arrangement of compensation for that laid down in the measure, in respect of compensations not exceeding 100 francs. Claims to compensation become void if not taken up within one year. Upon any accident

happening it is made obligatory upon the employer or his officers, and optional for the disabled workman, to give notice within forty-eight hours to the maire, who is to pass on the notice to the divisional inspector, and also to the Justices of the Peace of the canton. The latter is to undertake a careful inquiry on the spot, with a view to ascertaining the cause of the accident, the persons injured, the nature of their injuries, the amount of annual wages, and the "dependants" who may become entitled to pensions. Such inquiry is to take place within two days of the notice. If the disablement be only temporary, the Justice of the Peace is declared competent to make an award. If it appear to be permanent, the claim is to be passed on to the presiding judge of the judicial tribunal of the arrondissement, who may, according to the case, deal with it himself or lay it before his tribunal to be dealt with. Cases may, on the demand of either party, be carried to a higher Court, if notice of appeal be given within a fortnight. The disabled workman forfeits all claim to compensation if it can be proved that he has "intentionally caused the accident;" his compensation may be reduced if "inexcusable" misconduct can be brought home to him. If "inexcusable" negligence can be shown on the part of the employer, the compensation may be increased at his expense. Third parties causing accidents remain liable under the old law, to the relief *pro tanto* of the employer. Employers may protect themselves by insuring with insurance companies or forming mutual insurance societies or syndicates. Or else, like our own, they may enter into "arrangements," approved by the Government, with their workmen, contributing a certain payment to their relief fund. Failing all this, they will be liable to the *Caisse Nationale*, a Government institution which will collect the moneys and pay the compensation, securing itself in respect of administration expenses by a small contribution levied upon employers. To guard against insolvencies, the *Caisse* will, in addition, collect a surcharge on the license duty, which is for the present fixed at 4 centimes; and in the case of miners, at 5 centimes per hectare. Employers made liable in respect of compensation may ask to have their liability commuted into capital; but they may be called upon to do this only in the case of their discontinuing employment and failing to find other security. The application of the measure is made dependent upon regulations, having regard to its execution, which are still to be issued by the Government. The law is to come into force three months after the publication of those regulations.

The *Italian* measure, like the French, represents a compromise, and is accordingly open to many objections. It was passed on March 17th, and is to come into force six months after its promulgation. Its leading

idea is, that the life and health of every workman engaged in more or less dangerous trades shall be guaranteed by a method of insurance which must in every case provide for the presence of funds and for tolerably prompt action, but in the execution of which as much liberty of choice as is possible is to be left to the employer, upon whom alone the duty of effecting the insurance will devolve. The natural consequence of this insistence upon freedom in the matter of method is that, as in all similar cases, freedom has had to be banished at a far more important point, and the measure has become a measure of direct State interference. The State does not actually *insure*. M. Luzzatti's *Cassa Nazionale di assicurazione per gl' infortuni degli operai sul lavoro* happily affords a convenient escape from such extreme State Socialism, but an escape of very questionable value. However, it is the State which is to set the law in motion, collect the wages lists, check the figures handed in of workmen employed, regulate, fine, superintend. Notices are to be made to the prefect and the sub-prefect, with the Minister of Agriculture, Industry, and Commerce as a supreme authority to supervise all. The new law goes further than our own Act in making it one of the first duties of employers to observe the regulations aimed at the prevention of accidents, as a paramount obligation, and bringing infractions under the criminal law. But it is the State which is to make such regulations, at the instance of its own inspectors, supplemented by the opinion of technical authorities, trade corporations, and the like, where there are any. This preventive apparatus is, therefore, nothing more nor less than Government inspection of factories, rendered a little more troublesome than we know it here, but not a whit more adequate or effective. It cannot equal that searching investigation and surveillance by interested experts which results from the common liability of an entire self-governing class of employers all engaged in the same work, such as naturally results from the German legislation. And it has driven the Italian Government into the adoption of certain provisions, intended for the safeguarding of employers, which are not absolutely certain to achieve their end. Government inspectors and "delegates" are to be bound to secrecy with regard to special processes which they may observe on their official visits, and are not themselves to engage in any industrial ventures similar to those which it is their duty to inspect. That sounds very nice. But is it an absolute safeguard?

In the matter of accident insurance proper the obligation laid upon every employer to report to the Government, on pain of a fine, every change which may take place in the number of hands employed, within ten days at longest, is likely to prove irksome. In Germany employers

report totals only, once a year. Upon the law coming into force they are, in Italy, allowed one month for reporting to the Government authorities the nature of their establishment, and the number of workmen employed. Thereupon, assuming that their establishment is found to come within the number of scheduled undertakings, they are allowed another month for actually effecting the prescribed insurance, failing which the Government will effect it for them, make them pay, and fine them into the bargain. The schedule of occupations comprises most of the more or less dangerous callings : some, like all housebuilding, shipbuilding, etc., in any case, however many or however few workmen be employed ; others, like railway work, building of harbours and bridges, and labour where a motive power, animal or mechanical, is used to move machinery, on the supposition that there are more than five workmen employed in the establishment. No provision is made for the insurance of domestic servants or agricultural labourers. However, "superintendents," drawing their remuneration at intervals not longer than a month, are brought within the schedule up to a daily wage of 7 lire (5s. 6d.). The employer's liability is absolute, and no contracting out, either to evade the law or to reduce the rates of compensation, is permitted. In any case the employer is to find the first medical assistance, medicine, etc. Otherwise his duty to pay compensation begins on the sixth day. The tariff adopted does not err on the side of liberality. The injured workman's annual wages are to be ascertained by counting up the money which he has actually earned within the last five weeks that he was employed, dividing it by the number of full working days, and multiplying it by 300. No annual wages beyond 2000 lire (£80) per annum are to count. Within such limit the workman is, if permanently and totally disabled, to receive five years' wages, and in no case less than 3000 lire (£120). This is payable in cash within three months after the happening of the accident. If payment be further delayed, the person or body liable will be charged with the "ordinary" interest upon the sum. If the man be only partially, but permanently disabled, his compensation will be regulated in proportion to his actual loss of earning power. The capital payment made is, as a rule, to be converted at once into a life annuity, to be issued, until a special State insurance body is created, by any life insurance society in Italy recognized by the Government that the person entitled to compensation may select. In special cases the *prætor* may direct payment of a lump sum to the recipient. Compensation is subject to revision on the demand of either party within two years after the accident. If the disablement be only temporary, the victim is to draw a daily pension while it lasts,

never exceeding, in cases of total disablement, half his ordinary wages. In the case of death the fivefold amount of the ordinary annual wages is to be paid, being due to the legitimate heir under the ordinary law.

Compensation is due in respect of every injury sustained from "a violent cause" in employment, unless it can be shown that the accident was caused by the victim's own wilful and serious misconduct (*dolo*). This, however, must be proved in a special criminal prosecution, pending which the employer's liability remains in force. The delay of a full year after the happening of the accident makes void the workman's claim.

Insurance is to be effected with the *Cassa Nazionale di assicurazione per gl' infortuni degli operai sul lavoro*, unless the employer prefers to effect it with another recognized insurance company, giving at least the same benefits. If he employs at least five hundred workmen, and is prepared to hand over to the State security amounting to at least five times the value of annual premiums which he would have to pay to the *Cassa Nazionale*, and to form an insurance fund for his own establishment, giving at least the same benefits that are provided for under the new law, he may do so; but he will not in that case escape personal liability in excess of the money collected in his fund. Employers may also combine to form a Mutual Insurance Fund, but only if they collectively insure not less than four thousand workmen, and deposit with the State securities representing 10 lire in respect of every workman employed, up to a maximum sum of 500,000 lire (£20,000). In that case they must pay down every year in advance the amount of compensation paid within the preceding twelvemonth, and, in the first instance, the amount of premiums which would be payable under insurance with the *Cassa Nazionale*. Railway Companies are allowed to form their own insurance funds, provided that they assure the same benefits to workmen as the law.

Under the law there is sure to be difference of opinion as to the amount of claims, and the presence or absence of *dolo*, "wilful and serious misconduct," on one side or the other. *Dolo*, on the workman's side, voids his claim; on the employer's, exposes the latter to penalties, and brings down the whole weight of liability personally upon him, whether it be in respect of an excess claim from the workman, or of a claim of recovery from the insuring company. Disputes, it is provided, are in the first instance to go before the local college of *probiviri*, wherever there are any, who have absolute jurisdiction, without the option of appeal, up to 200 lire (£8). Where there are no *probiviri*, the local *prætor* is to have absolute jurisdiction within the same limit. Larger cases go before the ordinary magistrate, and need not be pleaded or defended by lawyers. Costs in such cases are limited to

50 centesimi on 50 lire, 1 lira on 100 lire, and 2 lire on every 100 lire beyond.

There is a great deal that remains unprovided for under this law. But at any rate it recognizes absolutely the workman's claim to compensation, and also to preventive action on the part of the employer.

HENRY W. WOLFF.

PROFIT SHARING.—The system of profit-sharing introduced by the firm of Clarke, Nickolls & Coombs, in their large confectionery works at Hackney Wick, has been referred to several times in the *Economic Review*. It has now been in operation for eight years, having been commenced in 1890 ; and the general results, as declared in the annual reports of the firm, have invariably served to justify the expectations of its promoters.

Owing to the unprecedented success of the business last year, the chairman of the company was able to announce the existence of a very large fund to be distributed between capital and labour under the terms of the agreement ; and though such financial prosperity may be very exceptional and not at all likely to be often repeated, the striking results of the scheme under special circumstances should be all the more impressive as an object lesson to encourage others to adopt a similar policy. The bonus paid to labour amounted to no less a sum than £9,500, which represents nearly nine weeks' wages. Of this amount, about £7,200 was paid to the employees in cash, while the balance was devoted to the Provident Fund. At the same time, the dividend to capital must have more than satisfied even the most avaricious of shareholders. The annual dividend, in fact, has never fallen below the level of the year preceding the experiment, viz., 10 per cent., and has several times exceeded it, notably, of course, last year.

It has sometimes been urged against the system of profit-sharing that it is merely a device for getting more work out of the labourers, who only receive a share of the extra profits due to their increased care and industry. This might be true, perhaps, in certain cases where a small bonus to labour could be wholly accounted for by stricter economy and greater diligence on the part of the work-people ; but in the instance before us it would be unreasonable to suppose that the large amount of the bonus was mainly or even largely due to these causes. In fact, as Mr. Mathieson was careful to point out in his address to the shareholders, the main factors in producing such a remarkable result were, on the one hand, the increased consumption of luxuries during the Jubilee year, and, on the other hand, the skilful manipulation

of the materials required for the business under the most advantageous terms.

It is needless to say that this firm is strongly opposed to the agitation in favour of countervailing duties on sugar ; and, indeed, when we consider the large interests in our own home trade which would be seriously penalized by such a policy, we should do well to hesitate before we allow our charitable feelings to be engaged in bolstering up a comparatively small and failing trade elsewhere.

In regard to the system of profit-sharing in general, though its economic and moral value has been demonstrated, as in the case before us, over and over again, it would appear that economic reasons are not sufficient in themselves to ensure a more extensive application of its principles. Probably this will not happen till the conscience of the average shareholder can be educated to see that there should be some moral limit to the fair remuneration of capital, and that, at the very least, he should feel bound to adopt some system of profit-sharing. For instance, the scheme which has been found to work so happily by Messrs. Clarke, Nickolls & Coombs provides that, after paying all expenses, interest on debentures and dividend on preference shares, the ordinary shareholders should be paid at a rate not exceeding 6 per cent., and that any remaining margin of profit should be divided into two equal parts, and allotted to capital and labour respectively.

THE ANNUAL REPORT OF THE CONFERENCE OF THE NATIONAL UNION OF WOMEN WORKERS, held at Croydon, in October, 1897, does not furnish ground for modifying the belief that the Union would do better for itself, so far as the standard of its conference papers and discussion is concerned, in making these meetings of biennial or even triennial occurrence. So much of the best work in the field of women's service is, and must be, routine work, that one would think it impossible to provide material for public consideration every year. It is neither likely nor desirable that new and striking methods of work should continually be inaugurated ; nor that startling results in any sphere should annually be obtained. The perusal of the Report can hardly fail to corroborate this view, the papers generally being rather "thin," and, it must be owned, preachy.

The conference was opened by the presidential address, delivered by Mrs. Creighton, the retiring president, and besides the announcement of the starting (at the suggestion, in the first instance, of Sir Walter Besant) of a labour bureau for women, at 60, Chancery Lane, contained some valuable strictures and hints on women working together : "There is no reason why, as women, we should discuss all possible questions.

Many subjects are much better discussed by men and women together. Do not let us in our women's conferences talk about things simply because we wish to have the opportunity of having our say about them ; but let us choose those subjects which women as women can usefully discuss together. . . . In all questions, no doubt, we have influence, but we shall not make this influence felt by combining as women to form a body of women's opinion, and then trying to urge it on men."

Mrs. Francis Rye, the Hon. Secretary of the State Children's Association, read a paper on "The Early Care and Training of Children under the Poor-law," naturally labouring under a strong bias arising probably alike from her convictions and her position. Her conclusions (quoted from Sir Godfrey Lushington), that the transference of pauper schools from the Home Office to the Education Department is necessary in order "to restore the children to society, to improve the standard of teaching, and to prevent the children from feeling a class apart," may be considered untenable, as abundance of proof exists that these three objects are already fully attained under existing circumstances. The Hon. Mrs. A. T. Lyttelton's paper on the same subject was marked by a broader grasp of and fairer dealing with the questions at issue.

Papers on the Temperance Question among Women were read by Mrs. Goslett, Lady Elizabeth Biddulph, Hon. Mrs. Eliot Yorke, and Mrs. Henry Wilson. The Young Ladies' Meeting was addressed by Lady Vincent, on "Young Englishwomen on the Continent;" Lady Frederick Cavendish, on "The Dangers of the Luxury of Modern Life," and Miss Harington, on "The Responsibility and Continuity of Work." "The Life Training and Prospects of Elementary Teachers," was the subject of papers by Mrs. S. A. Barnett, Miss L. Manley, and Miss E. P. Hughes, and gave rise to much discussion.

The work of lady-visitors in prisons was most interestingly dealt with by Adeline, Duchess of Bedford, Miss Elizabeth Cadbury, and Miss Grace Bartlett. The lines on which this admirable and devoted work should be carried on are clearly indicated in the Duchess of Bedford's paper, and are as follows : "Visits should be frequent and regular ; a diary should record all dealings with every case ; it is desirable to have personal acquaintance with institutions, etc., for the reception of fallen, inebrate, or homeless women ; it is better to know a few prisoners well than many superficially ; the temperance pledge is in most cases a *sine qua non* ; correspondence should be maintained from time to time, or communication established through a third person : no pains should be spared, promises must be strictly kept, and

confidences respected." A paper followed, by Mrs. Sheldon Amos, on the question "Whether Punishment can be made Remedial rather than Punitive." All the experience brought to bear on the subject by various people went to show that this is almost impossible under the existing system of short sentences, though even here an organized band of lady workers can accomplish something.

Mrs. Bedford Fenwick read a paper on "The Better Organisation of the Nursing Profession," in which she appears to hope great things from Parliament, whose intervention the following speaker, Miss A. C. Gibson, wisely deprecated. "The Educational Side of Co-operation" was dealt with by Miss Catherine Webb and Mrs. Green, in two very interesting and instructive papers. Miss Webb claims that "co-operation has taught the working-man's wife the disadvantage of the credit system in domestic economy, and the justice and wisdom of paying a fair price for an honest and sound article," a result which, even if it should only be gradually attained, is worth working and waiting for. Mrs. Green gave an account of the Women's Co-operative Guild, numbering in England 223 branches, with a total number of members (in its 14th year) of 10,555, and an increase in the past year of 1400, with few exceptions entirely of working women. Its aim is education, first in the Co-operative Movement, and then in other industrial and social matters which tend to its advancement. Mrs. Green further stated that many thousands of women hold shares in their own names; and that the Guild encourages them to attend the quarterly meetings of their societies, and to vote. The cultivation of the working woman's intellect and sense of comradeship would seem to be more successfully promoted by this means than by Women's trade unions, which languish so notoriously. It must be recognized that the average woman in every sphere can best be reached by a direct appeal to her personal interests, which at the same time, by extending as they may uniformly be said to do to those of her husband and children, redeem her from the charge of selfishness, sometimes—I cannot but think unjustly—brought against co-operators.

The last day's proceedings began with the annual meeting of the general committee of the union: and terminated by papers on "Power in Work," by Miss E. M. Caillard; and "The Pain of the World: how to face it," by Miss Clifford, whose wide experience makes her noble and encouraging words of the deepest value.

E. C. GREGORY.

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

THE Correspondence respecting the Proposals on Currency made by the Government of India (Command Paper 8840, fol. 30 pp., 3d.) consists chiefly of the long letter sent by the Indian Government to the Secretary of State, on March 3rd. Like other recent letters of the Indian Government on the same subject, it is an able document, which does not in the least deserve the abuse showered on it from both bimetallist and gold-standardist quarters.

It begins by remarking that the suspension of coinage, which has been in force since June, 1893, had not, at March 3, 1898, brought the rupee to the steady sixteen pence aimed at. This is true, but since the rupee had long been rising steadily, and was near the sixteen pence, why not wait? The answer given to this question may be summed up as follows:—

1. The sooner the rupee is brought to sixteen pence the sooner will the loss to the Government, due to its being below that figure, be stopped.
2. The sooner the rupee is steady the better for legitimate business as opposed to speculation.
3. The sooner the period of transition is brought to an end the sooner will British capital be invested in India, and the stringency of the money market be relieved.

“For these, and other reasons,” say the Indian Government, “and in view of the length to which the transition period of our currency has already extended, we are of opinion that we ought not to wait longer for the attainment of our object by the gradual operation of the causes described” (*i.e.* the cessation of coinage), “however certain we may be that they would, in the end, produce the desired result, and that we ought at once to take active steps to secure the early establishment of a gold standard and a stable exchange.”

All this means, to put it briefly, that the Indian Government, alarmed by the outcry of the Indian money market, is in a hurry, which is one of the most undesirable and disastrous things that can happen to the Government of a great empire. Every Government ought to be

willing to wait months, years, and centuries for the "gradual operation" of causes the effect of which is "certain." History is simply full of examples of misery and bloodshed caused by attempts to hurry on the inevitable. One of the prime duties of Government is patience.

Ever since the suspension of coinage in June, 1893, the value of the Indian rupee has been higher than that of a piece of silver bullion equal in weight and fineness. But, till 1895, the gold value of the rupee fell along with (though at some distance above) that of silver bullion, owing to the fact that the difference of value between the rupee and silver bullion led to the return of rupees to the circulation, both from hoards and from places abroad. After this new supply was exhausted, the gradually increasing demand for the rupee (due to increase of population, and perhaps of wealth) began to produce an obvious effect on its gold value, which gradually climbed up, although the gold value of silver bullion went on falling. To establish an effective gold standard nothing more was necessary than to allow this process to continue. Ever since 1893, the Indian Government has been ready to accept a sovereign in payment of dues as equivalent to fifteen rupees, and also to give fifteen rupees to any one who offered a sovereign in exchange. Consequently, the rupee could not rise more than a small fraction above sixteen pence, because, as soon as it reached that height, the currency would begin to be enlarged either by rupees supplied by the Government or by sovereigns. Of course, unless sovereigns became a considerable portion of the currency, fluctuations in the demand for currency might lead to the gold value of the rupee occasionally falling below the sixteen pence after that limit had been reached; but the resulting immediate suspension of supply would, in all probability, soon re-establish equilibrium. If sovereigns did become a considerable portion of the currency they would be available for export, and their exportation, by depleting the currency, would maintain the rupee close to sixteen pence in spite of a considerable reduction of demand for currency.

The Indian Government proposed, in their letter of March 3rd, to hurry on the process by destroying a portion of the existing stock of rupees, and by importing gold themselves, instead of waiting till their offer of fifteen rupees for a sovereign attracted it in the ordinary course of business. They would begin by receiving from England £5,000,000 of borrowed gold, which they would deposit in a safe place. Then they would put 100 million rupees, which they happen to have in their hands, into the melting-pot, and sell the resulting bullion for 60 million rupees. The loss of 40 million rupees would be made up by taking out £2,666,666 from the hoard of gold, and placing it, instead of rupees,

in the metallic reserve held against notes. Next year they would do exactly the same thing, thus reducing the total currency—silver and gold—by two instalments of 60 million rupees each. By this time they were confident that the rupee would have risen to sixteen pence, and only be kept down to that rate by the importation of sovereigns in the ordinary course of trade. Their own stock of gold, together with the other sovereigns imported, would form a considerable portion of the currency, which could be exported when fluctuations of trade diminished the demand for currency; and this exportation, by depleting the currency, would maintain the rupee at its par value of sixteen pence.

There appears to be nothing unsound in this plan, and little reason to suppose it would be ineffectual. The chief objections to it are that it is unnecessary, and that it panders a little to the popular error that the way to keep up the value of an inconvertible currency, whether composed of token coins or paper notes, is to have plenty of gold in a Government chest or bank cellars, or in the pockets of the people. Perhaps the simplest way of exposing the absurdity of this idea to the English reader is to suppose a sudden loss of all the half-sovereigns in England. Obviously, the effect of this disappearance of gold would be an immense increase in the demand for our inconvertible silver token coins; and they would only be prevented from going to a premium, if at all, by the fact that the Mint would work night and day to supply the increased demand. Conversely, if a gold five-shilling piece were issued, and were made, by a sufficient addition of alloy, a convenient coin to handle, the demand for silver coins would be largely reduced, and they would probably go to a discount. Just in the same way, every sovereign which enters into the Indian currency will tend to reduce the value of the rupee, not to raise it. The original introduction of sovereigns in the ordinary course of trade will be for the purpose of keeping the rupee down to sixteen pence; and they can only serve to keep it up to that rate, when necessary, by to some extent disappearing again, and thus depleting the currency. Now, the Indian Government were quite aware of all this, and yet they proposed to make a great flourish with the powers to borrow £20,000,000 and the immediate shipment of £5,000,000 in gold from England to India, before the rupee had been brought up to its sixteen-penny value by melting down coins; their object being, as they say, "to establish confidence in the issue" of their measures. In other words, they proposed to go to some expense to take gold to India, not because that operation is really desirable in itself, but because they desired to pacify some people who have erroneous ideas. How little they succeeded is shown

by the wild and virulent attacks of the gold-standard and bimetallist newspapers, which the *Bimetallist* for May reprinted with delightful impartiality. Governments ought to know by this time that the confidence-trick in currency is played out. The Indian Government especially ought to know it, considering that the rupee has risen in gold value most when confidence in their plan was least. They should have remembered, too, that their ostentatious taking of 5,000,000 sovereigns from London would alarm and irritate the City far more than the quiet absorption of 50,000,000 sovereigns in the ordinary course of trade, and that the attainment of an effective gold standard by the proposed plan would infuriate the bimetallists more than its attainment by a quiet persistence in the policy of 1893.

On the whole, it is much to be hoped that the Commission to which the proposals have been referred by the Secretary of State will be as long in reporting as commissions usually are, so that by the time it reports the proposals may have become obviously unnecessary.

The paper entitled *Coal Tables* (House of Commons Paper, 1898, No. 126) gives statistics which show curiously small trace of any permanent effect of the great coal strike of 1893 upon the number of persons employed in the production of coal, the output and the value. The following table refers to the United Kingdom; the last column, which is not in the paper, is obtained by dividing the total value by the number of persons :—

	Persons employed.	Tons raised.	Total Value.	Tons per Person employed.	Value per Ton.	Value per Person employed.
1883	461,679	163,737,000	46,054,000	346	5 7½	99
1884	478,226	160,758,000	43,446,000	336	5 4½	91
1885	478,981	159,351,000	41,189,000	333	5 2	86
1886	482,012	157,518,000	38,146,000	327	4 10	79
1887	493,122	162,120,000	39,083,000	329	4 9½	79
1888	510,741	169,935,000	42,971,000	333	5 0½	84
1889	542,828	176,917,000	56,175,000	326	6 4½	103
1890	590,011	181,614,000	74,954,000	308	8 3	127
1891	626,568	185,479,000	74,100,000	296	8 0	118
1892	647,409	181,787,000	66,050,000	281	7 3½	102
1893	640,662	164,326,000	55,810,000	256	6 9½	87
1894	693,190	188,277,000	62,730,000	272	6 8	90
1895	687,371	189,661,000	57,231,000	276	6 0½	83
1896	678,690	195,361,000	57,190,000	288	5 10½	84

If the figures can be trusted—a somewhat large assumption—they show an extraordinary deterioration in the economic position. The falling off in the tons raised per person employed is even more than it

appears ; for, before 1894, the "persons employed" included persons raising fire-clay, ironstone, shale, etc. If these had been excluded throughout, of course the tons raised per head in the first eleven years would have appeared greater. However, the last two years show some improvement. Evidently between £80 and £90 to be divided between each person employed and the mine-owner is not sufficient to make coal-mining attractive enough to increase the number of miners, and so if there is no great increase in the demand for coal, we may expect to see the next few years exhibit a stationary or diminishing number of miners and an increasing produce per head.

If—and this again is a very large assumption—the figures are comparable, the Swedish miner raises not quite half as many tons as the English, while the American raises about fifty per cent. more than the Englishman.

No one interested in local taxation and finance should be without *Minutes of Evidence taken before the Royal Commission on Local Taxation : vol. i.* (C. 8763, fol., 522 pp., 4s. 2d.), with its *Appendix*, *Part I.* (C. 8764, fol., 338 pp., 2s. 9d.) and *Part II.* (C. 8765, fol., 396 pp., 3s. 7d.). The Commission seem proceeding on more useful lines than many of their predecessors, and to have begun by endeavouring to understand the system they have to inquire into. Consequently they have not gone in the first instance to the grievance-mongers, but to the persons who administer the system and know what it really is. The first part of the Appendix consists of three long treatises, contributed by the Local Government Boards of each of the three kingdoms, on the English, Scotch, and Irish systems. The Scotch memorandum is supplemented by a special report on his department by the Assessor of Railways and Canals for Scotland, for that kingdom has adopted a method of assessing the value of railways and canals quite different from the piecemeal method which prevails in England. The American observer, who is apt to treat Glasgow as a typical English city, just as we are apt to forget the differences between Massachusetts and Nevada, will find many other astonishing contrasts between the systems of the three countries. It must be admitted, however, that some of these, such as that arising from the half-rating of owners in Scotland, somewhat fade away under a prolonged inspection. The owner turns out to be, not necessarily the owner of the permanent interest in the property, but merely the immediate landlord of the occupier.

The second part of the Appendix consists chiefly of a mass of documents put in on behalf of various bodies, such as the Association of Municipal Corporations, the County Councils Association, the London Chamber of Commerce, and organizations representing the Church,

mine-owners, machinery users, gas companies, water companies, railway companies. Of these one of the most interesting is an elaborate table giving many details about the finances of 140 towns which happen to have had town clerks or accountants with sufficient public spirit to induce them to take the trouble of filling up answers to a rather elaborate schedule of questions. It appears that Bolton, which probably, in proportion to its size, makes more profit from its municipal enterprises than any English town of importance, relieves its rates to the extent of £33,585, or about 1s. 6d. in the pound, from this source. Gas contributes £21,433 ; water, £10,000 ; markets and tramways, less a loss on electric-lighting, made up the rest. The column in the table devoted to the cost of collection of rates shows extraordinary discrepancies. While in Darwen £16,241 poor-rate is collected by the overseers for 1 per cent., almost exactly the same sum, £16,029 poor-rate, in Gloucester, collected by the overseers, cost 6 per cent., and this although in Gloucester itself the general district rate, amounting to the smaller sum of £11,940, is collected for 2 per cent.! As might be expected, all the evidence is in favour of consolidation of areas and a unified collection of rates. Chester, Manchester, Neath, Plymouth, Richmond in Yorkshire, and Tenby are the only towns among the 140 where both poor-rate and all municipal rates are either amalgamated or, which comes to the same thing, collected by the same persons at the same time. As to which of the 140 towns are conterminous with unions, the table is not to be trusted, as five towns are stated to be conterminous which certainly are not. Barrow, Cambridge, Devonport, Leicester, Norwich, Plymouth, and perhaps (in virtue of changes made since last census) Chichester and Portsmouth, appear to be correctly classed as conterminous. There are, of course, other cases among the towns not included in the 140, but the whole number is small.

The verbal evidence is perhaps less interesting than the documents furnished by the witnesses. Mr. Arthur O'Connor appears occasionally to enliven the proceedings by confusing the simple minds of the witnesses with dialectical subtleties. One of them is reduced to saying, "If you put it in that way, of course it is," and to the question, "Do you see any objection to putting it in that way?" he replies feebly, "The only thing is that it might be put in another way, of course."

The *Report of the Registrar-General of Births and Deaths and Marriages for 1896* (C. 8591, 8vo, 428 pp., 1s. 9d.) goes deeply into the question of the increasing age of brides and bridegrooms. The statistics with regard to the question have been much vitiated by the facts that the proportion of persons married who state their age has

been increasing, and that those who do not give their ages are not the same age on the average as those who do, but older. Taking everything into account, there seems reason to believe that the increase of age has been considerable. Vagaries as to age declaration are shown by the fact that, when a bachelor marries a spinster the odds are 1000 to 13 that his age, and 1000 to 14 that her age will be given. But when a bachelor marries a widow it is only 1000 to 29 that he will give his age, and 1000 to 34 that she will. And when a widower marries a spinster it is only 1000 to 48 that his age, and also 1000 to 48 that her age will be given. Finally, when a widower marries a widow the odds are only 1000 to 57 and 1000 to 58 that his age and her age respectively will be given. The Report notices a fact which has been pointed out in these pages on a former occasion, namely, that if we are to trust the test of signature by mark in the marriage register, the north-west half of England and Wales is much more illiterate than the south-east, and that men are more illiterate than women in the south-east, and women more illiterate than men in the north-west. The population of England and Wales must have increased by a larger amount than ever before, as, while the loss by migration remained small, being only 53,583 for the whole of the United Kingdom (*Economic Review*, vol. vii., p. 402), the births, which were 915,309, exceeded the unusually small number of deaths by no less than 388,582.

The *Immigration and Emigration Statistics of the United Kingdom for the Year 1897* (House of Commons Paper, No. 154, fol., 61 pp., 6d.) give the total outflow as 782,430, and the total inflow as 742,114, which gives a net loss by migration of 40,316; this number being the result of a net emigration of 52,800 British subjects (the return says "natives," but it knows nothing of natives), and a net immigration of 12,500 foreigners, of whom 10,800 are the mysterious foreign sailors who, according to the Board of Trade, come here as passengers and go away as crews, and return either as passengers or not at all. It seems clear that the number of foreigners in this country must be undergoing a rapid diminution at present by death.

It is also being reduced slightly by naturalization. The *Return showing the Names of all Aliens naturalized in 1897* (Commons Paper, No. 139, fol., 12 pp., 2d.) contains the names of about 640 persons. Of these, no less than about 280 are described as Russian subjects. Germany contributes about 220, and all other countries put together only 138. Among these is one Chinese.

The Labour Department's *Report by Miss Collet on Changes in the Employment of Women and Girls in Industrial Centres: Part I., Flax*

and Jute Centres (C. 8794, 8vo, 114 pp., 6d.), compares the conditions of the flax industry in 1833 to 1839 with those prevailing at present in Dundee and Belfast, and would do the same for the West Riding if it had not happened that the attractions of more profitable employments have led to the disappearance of the industry from that district.

In 1833, "at a flax mill at Strathmiglo, Fife, the employer, Mr. Andrew Smith, stated that he employed forty workers, of whom none were under ten. The highest wages that he paid to best spinners and reelers was eight guineas a year, in addition to bed, board, and washing ; his bothey, or sleeping place, was twenty-one feet by twenty feet, and contained seven beds, holding three in a bed."

A cambric weaver in Armagh said, at the same date : "I put my boys on the loom at twelve and my girls at eleven ; the girls can weave as well as the boys. After a year's teaching, they can earn 1s. a day on 15^o lawns ; they are paid 6s. 6d. the piece for weaving, and can weave a piece in a week by sixteen hours a day work. I have a wee girl who never gets off the loom from daylight in the morning until ten o'clock at night. She is only thirteen years of age. She can earn 8d. or 10d. a day."

These two extracts are fair specimens of the evidence collected sixty-five years ago, and now dragged once more into the light by Miss Collet. Let us by all means thank God that we are not quite as in 1833, but let us not forget at the same time to pray that 1898 to 1963 may see as great an advance as 1833 to 1898. According to Miss Collet's summary of conclusions, children working half-time now earn more than when working full time (and what full time !) in 1833. The wages of girls under eighteen in spinning mills have increased by about 50 per cent. in Dundee and 100 per cent. in Belfast ; the wages of adult women in spinning mills have risen about 70 per cent. in Dundee and 90 per cent. in Belfast : the wages earned by women in the weaving factories are more than 50 per cent. higher than those of men weavers were in 1833. Women's wages in the textile trades in Dundee and Belfast have risen by a much larger percentage than men's, and adult women have gained more than girls.

A somewhat belated publication is *Appendix C, vol. iv., to the Report of the West India Commission, containing an Analysis of the Verbal Evidence* (C. 8799, fol., 28 pp., 2d.).

EDWIN CANNAN.

REVIEWS.

ETHICS : An Investigation of the Facts and Laws of the Moral Life.

By WILHELM WUNDT, Professor of Philosophy in the University of Leipzig. Translated from the Second German Edition (1892), by E. B. TITCHENER, JULIA GULLIVER, and MARGARET FLOY WASHBURN. [Vol. i. : "The Facts of the Moral Life." 339 pp. 8vo. 7s. 6d. Vol. ii. : "Ethical Systems." 196 pp. 8vo. 6s. Sonnenschein. London, 1897.]

INTRODUCTION TO PHILOSOPHY : A Handbook for Students of Psychology, Logic, Ethics, Æsthetics, and General Philosophy.

By OSWALD KÜLPE, Professor of Philosophy and Æsthetics in the University of Würzburg. Translated from the German (1895) by W. B. PILLSBURY and E. B. TITCHENER. [256 pp. Crown 8vo. 6s. Sonnenschein. London, 1897.]

In organizing a series of translations from contemporary German philosophers, of which these volumes are an instalment, Professor Titchener is rendering a very real service to English students of philosophy. It is, indeed, remarkable that Wundt's *Ethics* should have waited so long for a translator; for it is a work of unusual interest and significance. Though Wundt is cited by Külpe as an example of "Evolutionary Ethics," he is remarkably free from the methods we are accustomed to associate with the application of "Evolution" to ethical problems. He is thoroughly opposed to "the individualistic and utilitarian tendencies" of English empirical ethics, and, after the manner of Plato and Kant, he thinks that "we must look to ethics to supply the corner stones of metaphysics, of our final and comprehensive view of the universe;" while his moral theories have remarkable affinities to the ethics of speculative idealism. He is not likely to underrate the aid of psychology in ethical investigation, but he holds that "the psychology of the moralists belongs, for the most part, to the days of the older empiricism," and is "altogether too individualistic in its point of view." The straight road to ethics lies, he believes, through "ethnic psychology, whose special business it is

to consider the history of custom and of ethical ideas from the psychological standpoint."

The two volumes at present translated may be regarded as an inductive preparation for the systematization of ethical principles and their application to the different spheres of the moral life ; it is in the third volume, therefore, that the author's views become explicit. Of the two volumes before us, the first is at once the most original and the most valuable. It deals with the witness to the development of the moral consciousness to be found in language, religious ideas, and custom. We here see the anthropological method at its best, the chapter on religion and morality being particularly admirable, even if it may not be altogether up to date. Throughout the whole account we feel (what is so difficult to feel in reading Spencer's *Data of Ethics*) that we are in contact with genuine ethical fact. The volume upon ethical systems seems, in comparison, somewhat thin ; but it is an integral part of Wundt's method, is often fresh and suggestive, and, as the translator observes, gives a more extended treatment of Continental schools than is to be found, for instance, in Sidgwick's *Outlines*.

The translation of Külpe's *Introduction* is of more doubtful value. As a "hand-book" it has merits ; but, as a handbook, it has also the defects of its qualities. To a beginner, its classifications can only mislead, where they do not repel. It is possible that "the fact that the work was primarily intended as a text-book for German students of philosophy should not make it less interesting or valuable to their English-speaking contemporaries ;" but it has certainly made it more formidable. The characterizations of ethical theories are often the reverse of illuminating ; the "sympathy" of Adam Smith is made identical with the "sympathy" of Schopenhauer. Cudworth is said to have made foresight the source of all morality : "Aristotle thinks it beyond question that good fortune or happiness is the natural end of conduct." It is possible that the translators have done the original less than justice ; for instance, we can hardly think that Külpe's definition of the moral end is adequately represented by "the principle of general prosperity."

The translations generally, but more particularly of Wundt, seem as good as the original German admits. But exception might be taken to such expressions, as "multeity," "end-results," "sense-pleasure," "ideated," and "ideational," as also to the use of "contents" where "content" would be more natural.

SIDNEY BALL.

BIMETALLISM EXPLAINED. By WILLIAM THOMAS ROTHWELL. [273 pp. Crown 8vo. 5s. Chapman and Hall. London, 1897.]

This book claims to be a popular exposition of the currency question from the bimetallist point of view. The author tells us that he writes "not as a theorist, but as one who has had a practical acquaintance with many phases of industrial life." As a matter of fact, however, he soars through regions of pure theory from start to finish. Illustrative examples of any sort are conspicuously few and far between. The very abstract character of the book is, of course, not necessarily in itself a fault, but it makes it extremely heavy reading, and, unfortunately, it is not compensated by an adequate acquaintance with what other investigators have done in developing economical theory. A chapter, for instance, is occupied in discussing the preposterous question whether demand or supply is the most important factor in determining values. Professor Cairnes should have taught the writer that the supply of commodities offered in the market at any time is also that which constitutes the demand for the same commodities, that "the two are not independent phenomena, but fundamentally the same phenomena regarded from different points of view,"¹ and that, consequently, one might as well discuss the question whether the radius or its rotation on a point is the most important factor in the construction of a circle, as whether demand or supply is the most important factor in determining value.

The writer displays too the curious eccentricity, that has been frequently remarked upon in other bimetallists, of treating silver and gold as personalities, which seem in their eyes to be endowed with feelings and rights of their own. We hear constantly of the "unjust" preference accorded to gold as compared with silver, of the impossibility of treating the two metals with perfect "fairness" without opening the mints to the free coinage of both; as if any one wants to treat them with perfect fairness. Mr. Rothwell would himself repudiate the suggestion that, by fairness to silver, he means consideration for American producers or French holders of the metal; and, indeed, these gentlemen are remarkably well able to take care of themselves. If he does not mean that, however, what can he mean? One may admire a range of sympathies so cosmopolitan as to be aroused by alleged injustice even to sections of the mineral world, but the frame of mind is not easy to enter into. The ordinary man is likely to be reminded by it of the Carpenter famous in song and story who found it necessary so unaccountably to "wipe his streaming

¹ Cairnes, *Leading Principles*, p. 26.

eyes" at the thought of those vast areas of sea-sand which forty maids with forty mops could not mop up in half a year.

The first twelve chapters of the book may be said to be taken up with the attempt to establish the possibility of fixing a ratio between the metals ; from the twelfth to the twenty-seventh with the question of the desirableness of doing so ; and thence on to the end with the question—What ratio ? All these questions are, however, also dealt with intermittently in all parts of the volume. In regard to the possibility of fixing a ratio, the author puts all his force into the proof of a proposition that need not be disputed, and, indeed, for that matter, that cannot be, viz. that the monetary demand for gold or silver is a factor of enormous importance in determining the value of each ; and that, therefore, while silver was the money of the world or of an important part of it, its value was maintained at a level which it is never likely to attain again in its demonetized condition. When, however, you go on to argue from this that the legislatures of the world should be urged to take steps to restore silver to its former position as money, two further questions present themselves, to which Mr. Rothwell does not even attempt to furnish an answer. (1) Could they, and (2) if they could, and did, would they achieve any end worth achieving ? The bimetallists speak of the desirableness of "replacing in its integrity the system that prevailed before 1873." They forget that there may be things that cannot be replaced in their integrity, as the classical instance of Humpty Dumpty might have suggested to them. Supposing the incredible feat accomplished of inducing the legislatures of all the important nations, or for that matter, of all the nations, out and out, to proclaim silver legal tender at, say, double its present value, and to open their mints to the free coinage of it, would that, one has still to ask, restore silver to its former position as money ? The question in other words is : Would it make the people who had money to lend as willing to be repaid in silver as in gold ten years hence ? What is more certain than this, that a large part of the community would say, "Who is to assure us that the whole thing will not break down within ten, or even five years' time, when the increased price of silver has had time to stimulate the supply of it, or when there is any prospect of its doing so. In the meantime we will be on the safe side ; we will sell our wares for nothing but gold ;" and, if they did come to that conclusion, what is more certain than that gold would at once go to a premium, and that the fixed ratio would be already a thing of the past ? If we ask what was it that sent gold to a premium, as measured in notes, during the Bank Restriction, the answer is that it was because there were a certain number of people—

in that case resident abroad—who would not sell their goods for Bank of England notes, but who insisted on having gold for them ; together with the fact that there was a profit to be made by importing goods from these people. If then, after the promulgation of the International Edict, there should still be a certain number of people, no matter where resident—even a moderately important number—who said, “We will sell our goods for nothing but gold,” and who held goods that other people nevertheless found it profitable to buy, all the legislatures in the world would be as powerless as any single legislature to keep gold from going to a premium. Nothing but a supreme legislator with purposes known to be immutable could assure the minds of the public that silver would be on a parity with gold at the ratio fixed in thirty, in twenty, or even in five years’ time ; and if they could not have that assurance, people who had to provide for the future would take care not to be caught making provision for it in a metal whose stability of value was open to question.

Suppose, however, that the supreme legislator were found, and that he fixed the ratio with absolute permanence, the question still remains : Would anything be gained ? In his discussion of the question—What ratio should be fixed ? Mr. Rothwell remarks, with regard to a 31 to 1 ratio, “It is hardly necessary to point out that, inasmuch as the adoption, for the time being, of the market ratio¹ would leave the existing ratio unaltered, no immediate disturbance in price could come from that source.” The conclusion is unquestionably valid. At the present moment one ounce of gold will buy commodities to the value of £3 17s. 10½d., and one ounce of silver, by taking the trouble to exchange it for gold, will buy commodities to the value of 2s. 3½d. If you fix the respective prices of the two metals at those figures, the purchasing power of the owners of gold plainly will remain precisely what it is ; and the purchasing power of the owners of silver will also not be, in any respect, altered. Prices, therefore, will not be, in the smallest degree, affected. If, again, you should change the ratio in favour of silver, whatever you added to the purchasing power of the owners of silver you would take away from the purchasing power of the owners of gold. The joint purchasing power of the owners of the two metals would in this case also not be altered ; and prices, though they would be disturbed, would not be, in the smallest degree, raised. That is the unavoidable conclusion from Mr. Rothwell’s own line of reasoning ; and, if so, what becomes of all that makes the bimetallic theory attractive ? A rise in general prices, however undesirable it may seem either to the philanthropist or the economist, is what the

¹ The true market ratio when Mr. Rothwell wrote was 39 to 1, and is now 34 to 1.

bimetallists are always holding out to the world as the end to be achieved by the adoption of their proposals. Take that anticipation away, and the farmers, whether in England or in America, will give themselves no further concern about the subject. "If bimetallism would not raise prices," some one, however, may answer, "it would, at any rate, prevent a further fall;" but, if fixing the ratio would not alter prices at the present moment, neither would it alter them at any given moment in the future; it would not, therefore, prevent a fall if a fall were otherwise due. Mr. Rothwell remarks that bimetallism is objected to by certain writers who think a rise in prices undesirable in itself, and no doubt he is right. He might have added, however, that it is also open to objection on the part of others who regard the whole thing as a delusion; who think that it would at the most, as Lord Farrer contended before the recent Agricultural Commission, furnish purchasers with more counters with which to make their purchases, but with counters of no greater value in the aggregate than those which they had before.

WILLIAM W. CARLILE.

KRITIK DES BIMETALLISMUS. Von Dr. OTTO HEYN. [184 pp. 8vo. 3 marks. Puttkammer and Mühlbrecht. Berlin, 1897.]
POPULAR FALLACIES REGARDING BIMETALLISM. By SIR ROGER P. EDGCUMBE. [149 pp. Crown 8vo. 3s. 6d. net. Macmillan. London, 1897.]

GOLD AND SILVER. An Elementary Treatise on Bimetallism. By JAMES HENRY HALLARD, M.A. [122 pp. Crown 8vo. 2s. 6d. Rivingtons. London, 1897.]

Without doubt, the first of these books is one of the most serious and valuable contributions to the literature on the subject. Its value is due not least to an absence of partisan bias, by which is meant, not merely that Professor Heyn's temper is judicial, but that he considers the problem on many sides; whereas the English, whether they espouse one cause or the other, are apt to be thinking of three things in particular: (*a*) the interest of the English agriculturist; (*b*) the prosperity of Lancashire; (*c*) the depreciation of the rupee. Professor Heyn throws his critique into the form of several questions, asking at one time how far the benefits foretold by bimetallists are likely to be realized by the introduction of their scheme. Here he suggests, and the suggestion seems to be novel, that the expansion of the currency, caused by the remonetization of silver, would only aggravate the fall of prices, since this, he contends, has been caused largely by the increase of gold which has expanded the currency. If this were true,

it should induce bimetallists to acquiescence in the present state of things, and partly reconcile monometallists to bimetallism, as far as their minds are made up by their respective views on low prices.

There is a searching analysis of the Quantitative Theory, which should be recommended to Mr. Hallard.

In discussing the familiar theory that the agio on gold constitutes a stimulus to the export of products from lands burdened with a depreciated currency, the author considers, with reference to the possible annulling of this benefit by the introduction of bimetallism, the case of countries with (*a*) a paper, (*b*) silver currency. He concludes that the change would make no difference to the former, as Argentine or Russia (which is ceasing to be on a paper basis), and that among the latter class it would tell unfavourably on Mexico, Bolivia, Peru, in a less degree on China, but favourably on India. It will be seen that Professor Heyn's scrutiny is exhaustive. In another chapter he considers the interests of German exports, on which point information is useful, but usually neglected by English writers. Professor Heyn's method is *à priori*, which is inevitable if one is considering the various effects of a change not yet realized, but he is so familiar with the different phenomena of the present state of things, that his *à priori* arguments are robbed of much of their untrustworthiness. There are no references in this work.

In casting his book into its present form, Sir R. Edgcumbe professes to have followed the example set by M. Bastiat in his collection of *Sophismes Économiques*. The plan of discussing, one by one, a number of "fallacies" held by monometallists, relieves an author of the responsibility of writing a methodical treatise, but tempts him to pick his fallacies unprofitably, so as to appear to have won all along the line, by triumphing over the weak places in the other cause. In the present case, many of the "fallacies" might have been omitted, and the space given to a fuller treatment of some debated questions. Thus, in dealing with the "fallacy" that the fall of silver is due (partly) to an increase of output, Sir R. Edgcumbe seems to use his figures crookedly. Other figures, taken in another way and bearing another interpretation, would have been much more obvious. The author is fond of contrasting "that which is seen" in every question with "that which is not seen," as if the former is at once shown to be untrue. This hostility to the obvious distorts his vision. Nor does Sir R. Edgcumbe deal adequately with the employment of Gresham's law by his opponents; perhaps he is at his best in discussing the truths of low prices. This book is written with more of the "dry light" than most on the subject. The style is agreeable, and distinguished by a certain

liveliness of quotation and literary manner, usually absent from works of the kind.

A book, which, by its title purports to be a text book, while it is a compressed polemic against one school of theorists on the currency, is an unfortunate undertaking. In any case, if the writer were not a ferocious partisan, it is doubtful whether justice could be done to the subject in an elementary treatise. There are so many points connected with the currency as yet uncertain, that it is a pity that people interested in the topic do not take a small section and work on it, and forswear general controversy on the half-dozen questions on which writers of each side declaim their opinions.

Thus the three most important chapters in Mr. Hallard's book, those on the "Story of the Standards," "The Great Fall of Prices," "The Eastern Competition," contain the usual statements made on these subjects in bimetallist pamphlets. The "monometallist" is alluded to throughout as the enemy, the younger Lord Liverpool is described once more as an "arch mediocrity," everybody who hesitates to accept in its crudest form the quantitative theory is only fit to be broken on the wheel.

The chapter on the fall of prices ignores the plurality of causes, and though one of the useful tables printed at the end of the book has been taken from the Final Report of the Gold and Silver Commission, it does not appear that the evidence given before the commission was profitably studied before the chapter on Eastern competition was written.

H. M. CONACHER.

THE APPLICATION OF PSYCHOLOGY TO EDUCATION.

By J. F. HERBART. Translated and edited with Notes and an "Introduction to the Study of Herbart," by BEATRICE C. MULLINER, B.A. With a Preface by DOROTHEA BEALE, Principal of the Ladies' College, Cheltenham. [231 pp. Crown 8vo. 4s. 6d. Sonnenschein. London, 1898.]

"There is nothing more divine than education." These words, quoted from Plato, are the heading to Miss Mulliner's "Introduction to the Study of Herbart," and should command a unanimous assent. We should also be prepared to welcome any book which will promote good and sensible methods of education, as may be hoped from this publication of the unfinished series of letters written by Herbart to his friend Friedrich Karl Griefenkerl.

It would be beyond the scope of a short review to attempt an examination of Herbart's system of psychology, or of his application of it to education. Whatever view we may take of his philosophy,

whether we regard him as a prophet who lets new light in upon the world, or as a mistaken thinker who is saved from exercising a bad influence by having almost none,—whatever view we take of his theory, we must acknowledge the great debt all later generations owe to him for having brought fresh vigour and more reasonable methods into the work of education, and for having directed men's minds to a knowledge of the powerful influence the educator possesses for training and moulding the minds of his pupils.

It will be admitted that, in view of the effect he has had in modifying educational processes, it is eminently desirable that his works, and in particular his educational works, should be readily accessible to those who wish to study them. So far as I know, these letters had never been translated into English, and Miss Mulliner is to be congratulated on having made a very good and readable translation, in spite of difficulties in the subject-matter and the language.

As to the intrinsic value of the letters, it is possible to hold different opinions. They were written while Herbart was residing at Königsberg and carrying on the Training College for Teachers, which afforded him the opportunity of making the observations he has described in these letters to his friend. On his removal to Göttingen, in 1833, he discontinued the series, and manifestly never intended them for publication, as he used whole passages out of them in his other books. They have, therefore, all the drawbacks that are inseparable from a work that the author had not completed and prepared for publication. It is possible that some part of their annoying obscurity may be due to this cause. Miss Mulliner has omitted a few passages which she considered were too difficult for the ordinary reader, especially two instances of his baffling quasi-mathematical treatment of mental phenomena. It is somewhat difficult to discover who will benefit by the publication of this book. The beginner should certainly read some of Herbart's other works first, before he attacks this one; the accomplished Herbartian will hardly need a translation, and will not be dependent on an introduction for a general view of Herbart's training.

It is not intended to imply that the book is without interest. It would be impossible that that should be the case with anything written by a man of the influence and calibre of Herbart; only the number of those to whom these letters would be of decided value seems to be a limited one, consisting mainly of the ardent disciples who consider all the master's utterances as worthy of attention.

Turning, then, to the introduction, which is the part written by Miss Mulliner, I regret that I cannot give it unqualified praise. A

distinguished educationist remarked the other day, "The real English introduction to Herbart has still to be written." It is not possible to say that Miss Mulliner has supplied the want. Her introduction is the work of an enthusiastic admirer and disciple, and gives us the pleasure that we always gain from reading anything having this tone. She fully and unquestionably believes in her author, has no hesitation in accepting his teaching in general and also in detail, and wishes to inspire her readers with a similar belief and devotion. This, however, is not easy to accomplish, and she has a tendency to fall into a strain of rhapsody which is not entirely convincing and is apt to be tiresome. She is evidently well read, but in a scientific exposition we do not look for constant quotations from poets, many and various, the connection of which with the subject in hand it is not always very easy to discover. As an application of the principles inculcated, we are given a sketch of a lesson on Spenser's *Faerie Queene* (canto ix. 21-54), which is worked out with a good deal of care and minuteness. It does not strike us, however, as a very good lesson, and, like the rest of Miss Mulliner's writing, while containing many apt and interesting points, it is not free from a tone of sentimentality, which is as undesirable as almost anything can be when we have to do with children.

Although I have dwelt on the defects of the book, I would not be understood to condemn it. Miss Mulliner writes clearly and pleasantly, her heart is plainly in her subject, and altogether she has done so well that we must regret she has not done still better, and produced a book to which we could give more unhesitating commendation than it is possible to accord to the work before us.

E. A. PEARSON.

LES ASSOCIATIONS OUVRIÈRES DE PRODUCTION. Rapport de M. C. MORON, Directeur de l'Office du Travail à M. le Ministre du Commerce. [613 pp. Demy 8vo. Imprimerie Nationale. Paris, 1897.]

Although dated 1897, this interesting official report, the result of a most painstaking inquiry, conducted mainly by M. A. Fontaine, sub-director of the French Labour Department, and M. du Maroussem, in the years 1895 and 1896, only issued from the press in the latter half of April, 1898. There is scarcely any need to commend it to the attention of those interested in co-operation. One look at its carefully edited pages will suffice to make of the observer a student. Here is the story told of what may be called the parent plant of all that promising growth of co-operative production dispersed throughout the civilized world, which has already raised up a goodly crop in Great Britain.

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It is to Buchez' feeble experiment, begun in 1831, that all this new development is usually traced back. His early scheme was conceived in altogether too sanguine and idealizing a spirit to be able to stand the rough wear of practical life. Starting up and waning, in turns, co-operative production has been carried through the most varied stages of trying but perfecting existence. At length, in "the eighties" it was developed to a form which promises to last. And accordingly new life and new activity have been infused into it, which that long expected "Co-operative Act" which, according to M. Moron's account, may now be expected to obtain the sanction of Parliament bids fair to stimulate and encourage still further.

There are still, roughly speaking, only about two hundred co-operative productive societies in France—including the sixteen societies of co-operative cabmen, whose right to be ranked as genuine co-operative societies M. Moron, with good reason, strongly urges. Of the two hundred referred to, many are struggling and feeble, some faultily organized and deficient in co-operative principle; others strong and remarkably successful and business-like, full of genuine co-operative spirit, and admirably disciplined and administered. Generally speaking, French co-operative production suffers from a defect, as contrasted with British, which is due to overlogicalness and pedantry. The societies admit as members only workers at their own particular craft. That means, that they remain comparatively weak in share capital; that the "nucleus" sometimes think, selfishly, very much of themselves and their own chances of steady employment, leaving "auxiliaries" to take the risk of being cast adrift when bad times come; and, lastly, that very few women figure in the members' rolls. The more enlightened among French co-operators have for some time back realized the drawbacks attending this practice, and are willing to replace it by the more liberal usage prevailing in this country, which enables friends of co-operation to contribute to the working funds as members.

Co-operative producers in France now muster only about 9000—that is, about $\frac{1}{4}$ per cent. of the total working force. The 172 productive societies, large and small, which were at work all through 1895, did among them £1,196,000 of business, of which only £183,000 worth came to them from the State, and which resulted in £96,400 profits, including interest on the £468,000 of collective share capital, which has to a considerable extent been gradually built up out of shares in profits. The wages paid amount to £480,000, in addition to which £7,800 was distributed by way of profit-sharing among "auxiliaries." Very full statistics are given in the volume, society by society, and in addition 180 pages are taken up by what will to many be the most

interesting portion of the book, namely, eighteen "monographs" of typical societies, which are selected with sound judgment, as showing French co-operative production in all its phases, from the democratic *tapissiers* up to the oligarchic, scarcely co-operative *lunetiers*. All this compilation has evidently cost a good deal of labour, but the result is amply worth the trouble.

HENRY W. WOLFF.

SOCIAL SWITZERLAND: Studies of Social Movements and Legislation in the Swiss Republic. By WILLIAM HABBUTT DAWSON. [301 pp. Crown 8vo. 6s. Chapman & Hall. London, 1897.]

This book endeavours to present us with a clear and concise statement of the institutions for the control of social affairs in Switzerland. It deals more especially with the laws and institutions relating to labour, the relief of the poor, settlements for the unemployed, and, less fully, with the question of technical education and the drink traffic.

The federal laws with regard to labour are worth comparing with the English, being in some respects more, in others less, stringent. But we must note the distinction between federal and cantonal institutions. The federal factory laws regulate the conditions and hours of work, the payment of wages, fines, etc., in all "factories;" but there are a considerable number of home industries and small businesses, employing few workers, which are not included under the term factory as it has been legally defined, and in regard to these each canton has been obliged to consider its own affairs, and to supplement the federal laws by local regulations. It might be well for social reformers in our own country to adopt a similar policy, and extend the powers of local councils and municipalities in this direction.

In regard to the protection of female workers the cantons, owing to the defects of the federal laws, have been especially active. Basle, Zurich, and two or three other cantons have enforced certain regulations shortening the hours of work, making it illegal for girls under eighteen to work overtime, and in other details lightening the work of women. They have also forbidden the imposition of excessive fines, deductions for spoiled work are rarely allowed, Sundays and festivals are compulsory holidays, and salaries must be paid regularly.

A special chapter is devoted to an account of the House Industries of Switzerland, the writer thinking that a fuller knowledge of the Swiss system may be useful in the treatment of our own rural problems. It is, of course, difficult to make any very accurate returns

of the products of house industries, as they do not come under the federal factory legislation ; but the inspectors seem to have done their best to provide information, and Mr. Dawson himself appears to have devoted no little time and energy to ascertaining the truth about them. On the whole it seems as if these house industries are maintaining their position, but the living to be made by them is a very poor one and very wearing to the workers : still, there are certain compensating advantages, such as light and air, advantages highly prized by the Swiss. Mr. Dawson seems strongly persuaded that the house industries greatly lessen emigration, and also that they check in some degree the migration from country districts to large towns.

An interesting chapter of the book is that devoted to Model Industrial Colonies in Switzerland. The housing problem is by no means so serious as in this country, but in Berne, Zurich, and one or two other towns, it was found that the working people paid rent much too high in proportion to their wages. In these colonies people can live under healthy conditions by paying a rent of from 3*s.* 4*d.* to 5*s.* a week. Specially worthy of attention is the model village of Messrs. Suchard, near Neuchâtel, which consists of comfortable houses, of three distinct types, provided with gardens, common wash-houses, and sundry conveniences, at a rent of from 14*s.* to 14*s.* 10*d.* per month, which includes a charge of from 2*s.* to 3*s.* to cover repairs. Every three years the houses are inspected, and if a house does not require the whole amount of the money set aside for repairs the balance is placed to the tenant's savings-bank account. Apparently the system works well, inducing a good feeling between the tenants and the landlord.

The question of arbitration between employers and employed is left to each canton to settle for itself, with the result that various experiments have been made in local legislation. Courts of Arbitration in Basle, Conseils de Prudhommes in Geneva, and Courts of Industry in Berne, are all trying to promote industrial peace. On the whole, says Mr. Dawson, these courts have succeeded in producing good results. But it is not very clearly indicated what manner of disputes are decided by these courts, and what power they have. In the main they seem to be concerned with disputes on legal points, and do not appear to have much authority on larger questions.

The system of boarding out in cottage homes is largely adopted in the principal cantons, and with admirable results. "Not a single pauper child" of Zurich, Berne, Basle, or Geneva is lodged in the workhouse.

Noteworthy, too, is the attention paid to the education of these

pauper children. "In the relief of the poor at Zurich, importance is attached to the sending of all supported children . . . to the secondary school, since thorough education is calculated greatly to facilitate their later progress. . . . The necessary expenditure incurred in education and commercial training is certainly considerable. On the other hand, it cannot be sufficiently emphasized how important it is to help these children by a thoroughgoing and efficient theoretical and practical training to such a degree of independence that they will never need to claim public support in the future unless from their own fault." "Such enlightened words," adds Mr. Dawson, "are in strange contrast to the niggardly policy pursued often enough by English Boards of Guardians, particularly in rural districts, in the matter of pauper education."

I should like to dwell on the account of the Old People's Refuge in Berne, where nearly a hundred old men and women, most of them over seventy, live in contented happiness, all working "on the understanding that they can begin, continue, and end just when they please;" where the men have tobacco and the women "those teapots for two which stimulate gossip." But it is not possible or desirable to recapitulate, in a short notice, all the interesting information of this book. Mr. Dawson does not make many deductions, but merely puts facts before us and allows us to make what we like of them. He seems to have taken some trouble to ascertain the accuracy of his facts, and states them clearly and simply, but does not sufficiently indicate his authorities. The book cannot fail to be instructive to all who are interested in social questions.

M. CARLYLE.

LA PROTECTION DU SALAIRE. By MAURICE LAMBERT.

[373 pp. 8vo. Larose. Paris, 1897.]

The scope of M. Lambert's work is not very wide—less so, in fact, than its title or the size of the volume at first suggests. It is in no sense a work on the wages question. M. Lambert does not enter into any discussion of the theory of wages, of the economic advantages of a high rate of wages, or of the influences which tend to raise or depress wages, such as trade unionism or "sweated" labour. He writes solely as a lawyer dealing with the legislative aspects of the labour question. Even here he refrains from dealing with the effects of legislation in raising wages directly or indirectly, as e.g. by the compulsory limiting of hours, or by the regulation of child labour. In fact M. Lambert does not discuss the question of the amount of wages at all, but only that of the payment of wages in so far as it is regulated by legal enactment. As he justly remarks in his introduction, the former question is

still the subject of the liveliest controversy among economists, whereas on the latter the politicians and economists of civilized states have long been agreed as to the general outlines of the course to be pursued, and systems of legislation presenting certain main features in common have long been in process of development.

The argument underlying M. Lambert's book and most modern legislation on the regulation of the payment of wages is that the workman occupies economically an inferior position in the labour market, not only at the moment of bargaining for his wages, but more especially in the subsequent execution of the bargain. It is here that he is especially unable to protect himself from encroachment, to prevent his wages being "nibbled into," and that he stands most in need of legislative protection. Mr. and Mrs. Webb, in a passage of their recent work on *Industrial Democracy*, bring out this contrast clearly, when they point out that a workman, even if he belongs to no trade union, will often take the chance of starving sooner than accept a wage which he considers inadequate. The same man, once engaged, is forced to consent to numerous diminutions, which in effect bring his earnings below what he would originally have accepted. Sooner than leave a safe employment, and break up his home, as he may have to do if there is no other work to be had in the immediate neighbourhood, the workman will consent to submit to vexatious fines, to deductions for fire or light, or the use of special tools, or will accept, as the equivalent of his money, goods priced at the employer's own valuation. In England a certain amount has been done to protect the worker in receiving the whole of his bargained earnings by the combinations of workmen themselves. But this has been only for the most highly organized trades, such as the cotton industry, where the conditions of labour in the factories, and the complicated scale of payments for piece-work, are fixed for the whole trade by negotiation between the agents of the employers and the men's federations. But on the Continent the men's associations have not sufficient power; and even in England, in the smaller and less organized industries, legislation having the whole power of the State at its back can alone enforce a rigid fulfilment of the labour contract.

M. Lambert devotes his work to a full examination of all the various ways in which the wage-earner's salary is affected. In each case he deals with the various effects—good and bad—of some industrial institution on the worker's real earnings, on his moral character, or the independence of his position; reviews the attempts made to meet each difficulty by legislation in other countries; and then criticizes the suggestions made for dealing with the same questions in France, or the

actual existing legislation in the few cases in which there is any. The main headings are grouped according to the person against whom the worker's wage requires protection. First, and by far the most important, comes the employer, then the employer's creditors, and the creditors of the workman. Lastly, by a slight change of the subject, considering the working man's family, rather than the individual workman, as the object of the State's protection, M. Lambert discusses the protection of the earnings of married women against their husbands, and of children against their parents, and the enforcement of the husband's obligation to support his family.

In the part devoted to the relations of workman and employer, chapters are assigned to the discussion of the truck system; to the regulation of places and times at which payment must be made; to deductions from wages for food, clothing, lodging, material, and cash advances; to deductions for the purpose of mutual benefit and pension funds, and insurance against accidents; to fines for damage of the employer's property, or transgression of the rules of the establishment. M. Lambert's mental attitude is sensible and judicious throughout. He recognizes the good work that has been done by many of the employers' institutions, such as shop and pension funds, though he wishes to do away with them, as being too often liable to perversion, and as hindering the personal independence of the workman. But he writes from the standpoint of the theorist rather than that of the social investigator. In the case of many foreign countries, he hardly professes to have studied the conditions of labour prevalent in them, but simply the legislation on the subject. Thus, on one or two occasions he frankly infers the economic conditions of a country from its legislation, evidently implying that some collection of laws is the sole basis of his information. There are occasional omissions. Thus, in discussing accident insurance he takes no note of our Accident Compensation Bill of last year. If his tables of comparative legislation are to be trusted, the English workman cannot be compelled to support his wife and family out of his wages. But, on the whole, he has been careful in getting together his data. And it is for the purpose of comparing such data of different legislations, rather than for any striking originality in M. Lambert's suggestions, that his book will be read.

His most original suggestion is, perhaps, the one where he argues that the earnings of children and youths under age should be wholly or in part entrusted to their mothers rather than their fathers, and that a similar control should be given to the wife over her husband's wages—the wife and mother being regarded as occupying the principal rôle in the family's economy of consumption. In a comparison of the legisla-

tion of different countries on this subject of regulating the various incidents of wage payment, the most striking feature is the backwardness of France. In this respect France is behind all European countries, except Italy, Spain, and Turkey. The subject, or various parts of it, seems to have been frequently discussed; commissions have been appointed, and projects of laws have been voted, and sent backwards and forwards from the Senate to the Chamber, but, except two laws of secondary importance, none has as yet succeeded in getting finally passed.

L. S. AMERY.

THE STATE AND CHARITY. By THOMAS MACKAY. [201 pp.
Crown 8vo. 2s. 6d. Macmillan. London, 1898.]

"I think what made me get engaged to Bertie was that we were both so much interested in social reform. We used to have long talks about the terrible hard work and late hours of society women, and the unspeakable overcrowding at parties during the season; and all that drew us together, you know." So spoke the heroine in one of "Mr. Punch's Modern Novels" a year or two ago, giving an anticipative echo of the mood induced by reading Mr. Mackay's interesting little book, *The State and Charity*. For the upshot of it seems to be: "The character of the poor depends on effort and the need of effort; unless they are thrown upon their own resources, they cannot develop moral backbone." And the natural corollary is: "The character of the rich, too, must need the same influences for its formation; let true charity begin at home, and proceed as fast as possible to deprive them of those means of material support which undermine the only bases of a worthy character—active industry and independence." All charities which consist in direct giving—and a good many which take the form of endowment—are strictly censured; not indiscriminately condemned, but treated of as harmful to character in comparison with a system which would lead the poor to pay their own way. Considered in this light—in their influence on the exertions of "him that takes,"—gifts have no doubt something non-stimulating in their effect, whether they consist of blankets, house-room, or scientific teaching; nor does it matter much whether they take shape in "flannel petticoats for old women" or the literary institute for which these petticoats are exchanged; but how much more relaxing to effort is the present system of private property and disposal by will! The representative of—

"Honest Labour, with pipe in his mouth,"
as Dr. Watts called him, suffers when his independence is attacked by

a Christmas present ; his hapless squire or employer, who, instead of the pipe, sucked the natal silver spoon, probably never possessed any independence at all ! That sturdy sap had all been extracted from the block of which he is a modern chip, long before his day, by an enervating environment of legally guarded property and secure testamentary disposition. The mere fact that a father wants to place his son—and not other people's sons—above the rough tussles he had himself to endure, tends to make that son rely, not on his own sinews, but on those of the less-favoured ; and thus the object of attack should be, not the gifts which threaten honesty and resolution among a section of the poor, but the system of inherited property which would extirpate them in a much larger class.

Mr. Mackay's subject, however, is not "The State and Legacies," but "The State and Charity." From the tone of certain kindly and far-reaching generalizations in his last chapter, he would seem to have a point in common with those to whom the theory of private ownership is repugnant, and that point is, "Thorough." If we are to have common ownership, he says, let us have it fair and fully ; but until we face round-about in our views on property, do not let us hinder the poor from acquiring those characteristics which will lead them to providence and solvency.

The connection between the State and charity hardly existed before the days of Elizabeth ; a brief sketch of social conditions, instead of a narrative, fills in the background to the centuries of the poor-law's existence. The chief feature in this sketch is the strong cleavage between different castes forming society, of which the lowest was serfdom, merging in modern pauperism. Poverty was a *status* ; and "the assumption underlying the social legislation of a condition of *status* is that the past has determined the place where each man ought to be, and the occupation which he ought to follow ; that there he must remain, and that society, acting voluntarily, or through the State, must support him if he cannot or will not support himself" (p. 5).

This seems a little far-fetched. Did not English law, in Elizabeth's reign as now, legislate for actual facts rather than for "underlying assumptions ?" The feeling which prompted the poor-law was more probably, "Here is a large class of paupers : we must do something to end it and mend them," than any assumption, even sub-conscious, that a man was bound to remain in his "grade."

In the first years of the seventeenth century the Poor-Law Statute was passed, and at the same time a statute affecting a large class of wills and bequests, that of Charitable Uses. In 1736 an act imposed certain restrictions on charitable bequests, especially of land, but it is

supposed to have expressed merely "a reaction against the encroachment of ecclesiastical authority" (p. 26), and it was not till twenty years later, when Turgot's article on "*Fondations*" appeared in the *Encyclopédie*, that a recoil from the ordinary process of almsgiving began to be felt. "Let each generation be its own brother's keeper" was the gist of Turgot's teaching and that of Wilhelm von Humboldt; Adam Smith followed in the same direction; Chalmers worked out a brilliant experiment of the new theory in Glasgow; J. S. Mill only advocated endowments in the domain of education, for which he considered that a passing generation might not do enough. In 1818 Lord Brougham began to rouse public attention to a considerable misapplication of endowment funds, and in 1853, nearly twenty years after the passing of the new poor-law, a body of Charity Commissioners was appointed to exercise a general control over funds left for eleemosynary ends.

At this point the story enters a labyrinth; and in the maze of "facts and only less misleading figures," it is Mr. Mackay's great merit that he pilots his readers safely through to the chronological exit. All histories have their labyrinthine periods—the history of Europe just before the days of Charlemagne, for instance, or of scientific progress just before Darwin. In such periods it is much if we can pick out here and there a legendary hero, to give a hint of the general direction of the path. Out of the long catalogue of charitable trusts loaded upon the shoulders of the commissioners, Mr. Mackay singles a telling typical case which demonstrates, in little, the method and the effect of much that has passed for charity.

"'I should like to have it determined,' says Sir H. Longley, in 1894, 'that a gift to poor relations is not a good charity. It really comes to a sort of perpetual entail (which a man cannot make if he omits the word 'poor') in favour of a class of the man's relations. . . . I have in my mind a charity of John Harrison for his next of kin . . . its administration is attended with the greatest possible abuse.' The founder of the charity has been dead two hundred years, and there are stated to be some 1500 claimants on the list whose pretensions to relationship and to poverty it is impossible to verify. Apart from the trouble involved in the impossible and ungrateful task of administering such a fund, it would appear certain that the benevolence of the departed Harrison had endowed his kindred not only with a fund, but with a permanent inability to achieve even a moderate success in life—a remarkable side-light on the influence of eleemosynary endowments."

In 1866 came a sort of climax—a winter of memorable distress—from which arose the hero of the new time, the devoted pioneer of organized

aid to poverty, Edward Denison. Before his early death, in 1870, the Charity Organization Society had been founded, in regard to whose work Mr. Mackay endeavours to speak less as an advocate than a historian. The following words put the ideal of the society in a nutshell : "The endeavour of the reformers to systematize relief was largely prompted by their faith in the absorbent powers of the healthy economic life of a civilized society." But the existence of such a society "is apt to throw into the shade the healthy absorbent influences of an expansive industrial system, to which, far more than to any philanthropic action, we have to look for the amelioration of our social condition." "It is the wish of the committees to give their action, as far as possible, the character of *private* charity, and to a considerable extent they are successful. . . . The most useful gift to the poor is a sympathetic personal friendship ; but it is cant to suppose that this relation can be created instantaneously upon an application for relief made by a stranger to a stranger."

An interesting and carefully argued chapter on the modern developments of medical relief for the poor ends the book, leading up to that clear statement of the position—Each man for self (and family) *versus* Undiluted Socialism—which is presented as the inevitable issue. The author's preference for the former principle is not disguised ; he is tolerant of the latter, but cannot abide the trimming concessions of the "bourgeois politician," whom he calls by the worst name in his vocabulary, "sentimentalist."

It would seem, however, that all reformers of the Charity Organization Society pattern overlook the one point which makes "sentimentalists" of the general public. The pivot of their policy of relief is the "automatic test" of "an order for the House," and the average citizen sympathizes with the poor man's hatred of the workhouse mainly on this ground—that it means a break-up of family life ; the removal of a softening, steady influence from young, growing, hard-at-work families ; an attack on home life at one of its higher and not lower points. One cannot read Joseph Arch's brief, plain story on this subject without sharing his feeling of hot humiliation.

"I went before the Board, and said : 'Gentlemen, I don't want you to support my aged father, but I should be glad if you would give my wife one-shilling-and-sixpence a week towards nursing him, as she is cut off from her charing. What I ask is less than my wife's earnings, and it is nothing to the expense of my father's illness.' Well, they refused me that, and said that my father could go into the workhouse, and I could pay 1s. 6d. a week towards his expenses . . ."

This was the case of a skilled and sober working-man, who owned his

cottage and garden rent free, and more pity still is claimed by those who, like the labourers in a sad little sketch by "Q," look forward with patient certainty to the workhouse as their "doom." "'I've made a sort o' little plan in my head,' says the old pauper, as he starts for the House, 'of the order in which I shall see ye again, one by one. 'Twill be a great amusement to me, sonnies, to see how the fact fits in wi' my little plan.'"

In a fantastic book, published long ago, and now nearly forgotten, the hero describes how he drove a projectile from the earth "across the Zodiac" by means of a newly-discovered physical force—"Apergy," the opposite of Energy, a force consisting chiefly in Repulsion or a kind of unlimited Rebound. There is certainly a great deal of use to be made of "taking-off points" in many domains of thought : if this short history of "the State and Charity" only leads to dissent from the author's own conclusions, it will certainly be a guide to an intelligent dissent. It is a record of honest, unpopular hard work, drawn up by an honest and hard worker ; and among the good fruits it is bound to produce should be reckoned this—that it demonstrates clearly the strenuousness of effort which must accompany all altruistic labour, and tends to diminish that quality of "facility" in expectation and ideal which is apt to be the bane of workers in untried paths.

THEODORA NUNNS.

THE CASE AGAINST PICKETING. By W. J. SHAXBY.

[86 pp. Crown 8vo. 1s. 6d. *The Liberty Review Publishing Company, London, 1897.*]

Picketing is one of the most vexed questions attending industrial disputes, but it may reasonably be doubted whether it calls for any further special legislation. Mr. Shaxby gives a concise and exhaustive summary of the existing law on the subject, but fails to show sufficient cause why it should be extended ; except, perhaps, in one particular, which, however, does not apply solely to the practice of picketing, but to the larger question of the status of trade unions. Both employers and workmen have precisely the same protection against any form of intimidation, molestation, or annoyance as other citizens have. And it is by no means obvious that they are entitled to receive any special favours which are not enjoyed by other citizens, or to be protected against that expression of public opinion which must fall to the lot of any one, in whatever walk of life, who advocates or pursues a course, be it right or wrong, which is opposed to the opinions or interests of his neighbours. The existing law gives ample protection against anything which goes beyond such expression of opinion. The difficulty

seems to be, not so much the state of the law, but the ignorance both of picketers and picketed as to its actual provisions, and the consequent hesitation on the part of those injured or aggrieved to put the law in motion ; and for this reason they may be advised to read Mr. Shaxby's book, where they will find their rights clearly stated. It is not expedient, in my opinion, that the law should be made more stringent, though, of course, at times of special excitement, such as when a strike is in progress, and large bodies of men of conflicting views and interests are brought together, additional precautions may have to be taken to ensure its observance. The state of affairs in Italy, Russia, and the United States, where stricter laws are in force, is not such as to furnish any sound argument for additional legislation here.

With the evident animus against the system of "collective bargaining" which inspires the book probably but few will agree. And I must also demur to the statement that individual bargaining is the natural method, and that "collective bargaining" is an artificial growth, which infringes the rights of the individual, and should therefore be discouraged. Such reasoning assumes, what is obviously not the fact, viz. that employer and employed meet on equal terms.

On the other hand, Mr. Shaxby's contention in regard to the legal status of trade unions demands serious attention. It is obvious that trade unions are by no means always in the right, and that many strikes have been both aggressive in inception and unjustifiable in method. Moreover, an employer has at his disposal no means of obtaining compensation for injury done to his business by an unwarranted strike, since a union, which may be united and strong enough to inflict loss, immediately resolves itself into a mere collection of irresponsible and insolvent individuals when its leaders are sued for damages ; and, consequently, such damages, even though awarded by a court of law, cannot in point of fact be obtained by the successful litigant. Mr. Shaxby has done good service in pointing out this anomaly. Legislation defining the status of trade unions, and rendering them liable for the actions of their members, would provide a wholesome deterrent against ill-considered and unjustifiable strikes, which mar the record of the trade union movement, and give rise to the not unnatural prejudice which animates Mr. Shaxby's book.

C. B. MARSHALL.

AMERICAN IDEALS. By THEODORE ROOSEVELT. [354 pp.
Crown 8vo. 5s. Putnam. New York and London, 1897.]

Of the fifteen essays which make up this volume, most have appeared before in various magazines. There is, however, a coherence

and common purpose in the subjects which justifies their collective publication in book form. The majority deal with social and political questions of especial interest to Americans, and there are three critical notices of well-known works on social science. As explained in the preface, "they are written on behalf of the many men who do take an actual part in trying practically to bring about the conditions for which we somewhat vaguely hope;" on behalf of those who, "through weary strife, accomplish something towards raising the standard of public life." And, indeed, as shown by some of these essays, there has been great need of elevating influences in American public life.

The essay which gives its title to the book is an eloquent appeal by the author to his countrymen to discard the low ideals which have hitherto influenced society. The American who sacrifices everything to secure material prosperity, or whose aim is "to purchase some scoundrel of high social position for his daughter," is justly held up to scorn. On the other hand, the author emphasizes the importance of studying the best qualities of former great Americans, and by this means to help to elevate the ideals of the nation. There is hope in his concluding words, which assert that "the men who have profoundly influenced the growth of our national character have been those men whose influence was strongly felt as antagonistic to the worst tendency of the age."

Perhaps the most interesting contributions are the essays on Civil Service reform, and on the Administration of the New York police force, as the author took a personal and active part in both these enterprises. The Commission to reform the Civil Service seems to have partially failed, owing to its limited powers, but in its general aim it was successful. This was entirely to eliminate politics from the sphere of the Civil Service, and to establish a system of appointments and removals on absolutely non-political grounds.

The reform of the police administration was a more successful and equally important work. The venality of its higher officials had reached such a pitch that, in 1894, public indignation was sufficiently aroused to secure the temporary overthrow of Tammany Hall and its corrupting influences, and, in the following year, the appointment of a newly constituted board, of which Mr. Roosevelt was made president. Under these new circumstances the evils of the old system were sternly repressed, and the administration of the law was purified. No extraordinary methods were employed. In Mr. Roosevelt's own words, this work was accomplished by the simple exercise of "plain, ordinary virtues, which all good citizens should be expected to possess—common

sense, common honesty, courage, energy, resolution, readiness to learn, and a desire to be as pleasant with everybody as was compatible with strict performance of duty." These qualities, shown in frequent personal inspection, and strict justice in punishments and awards, soon effected a great improvement in the police of New York, and, by consequence, in the behaviour of the citizens. The account here given reads as a fair and accurate description of a truly great work, a genuine step towards that ideal standard which it is the aim of such men as Mr. Roosevelt to inculcate.

Possibly it is owing to his connection with these two spheres of administrative reform which has led the author to trust so implicitly to law as the sovereign remedy for all America's ills. "The one all-important element in good citizenship is obedience to law, and nothing is more needed than the resolute enforcement of law." Such phrases are constantly reiterated throughout this book. Another small point, which is perhaps worthy of notice, is an undue insistence on the value of patriotism in America. Such a sentiment may be carried to excess, as when he writes that "no one of our people can do any work really worth doing unless he does it primarily as an American."

However, the whole book is well worth reading, and has a special value, as expressing the opinions of an educated American who has taken a practical part in the matters of which he writes.

W. M. MAMMATT.

SHORT NOTICES.

LES THÉORIES ÉCONOMIQUES DANS LA GRÈCE ANTIQUE. Par AUG. SOUCHON. [205 pp. Crown 8vo. Librairie de la Société du Recueil Général des Lois et des Arrêts. Paris, 1898.]

The object of this slight sketch is to explain the economic ideas of the Greeks, by referring them to their historical *milieu*; in other words, to show why modern economic categories are inadequately recognized in Greek speculation. The author in his preface deprecates too severe a criticism by disclaiming any pretensions to a work of erudition. And, in fact, he has written under two serious limitations. In the first place, he has not taken the necessary trouble to glean the evidence of history before using it to elucidate the theories he criticizes, and so, in spite of historical pretensions, the historical atmosphere is almost entirely wanting. In the second place, we suspect his impatience of textual

criticism has more than once led him to misconstrue Greek. Two instances will suffice. In page 111, Aristotle is made to assert that money has a merely conventional value. Had he read the passage carefully, he would have found that Aristotle's own view was just the contrary, and that in the passage quoted Aristotle is stating the opinions of some other writers. Again, in page 92, he has ignored the profoundly important distinction, in Aristotle's eyes, at least, between an ὁρατὸν τοῦτον and an ὄργανον τραπεζικόν. Finally, it may be noted that the spelling of the Greek words introduced into the text is, for the more part, novel, various, and unconvincing.

REFLECTIONS ON THE FORMATION AND THE DISTRIBUTION OF RICHES. By TURGOT. [112 pp. Crown 8vo. 3s. Macmillan. London, 1898.]

RESEARCHES INTO THE MATHEMATICAL PRINCIPLES OF THE THEORY OF WEALTH. By AUGUSTIN COURNOT. [212 pp. Crown 8vo. 3s. 6d. Macmillan. London, 1897.]

The continued publication of this well-chosen series of "Economic Classics" would seem to show that they are fulfilling a useful purpose. They are admirably edited, with concise and instructive prefaces, and the general arrangement and printing are all that could be desired even by the most fastidious. Mr. Irving Fisher's elaborate bibliography of Mathematical Economics, appended to Cournot's *Researches*, deserves special mention.

THE STATESMAN'S YEAR-BOOK: Statistical and Historical Annual of the States of the World for the Year 1898. Edited by J. SCOTT KELTIE, LL.D., with the assistance of J. P. A. RENWICK, M.A., LL.B. [1166 pp. Crown 8vo. 10s. 6d. Macmillan. London, 1898.]

The editor of the *Statesman's Year-Book* is to be congratulated upon his alertness in always providing opportune information in his annual publication upon subjects of immediate importance. Besides the array of up-to-date statistics which constitutes the main part of Mr. Keltie's comprehensive work, we have again this year some excellent maps and diagrams. There are, for instance, diagrams showing the rise and fall in the imports and exports of the principal countries for the last twenty-five years, maps illustrating the extent of British commerce, and a political map of West Africa, in view of the complications of the Niger question.

THE FUNCTIONS OF MONEY.

BY money¹ I do not mean coin alone, of course ; any stamped document, whether on metal or on paper, is equally money, provided it is able to obtain in exchange a certain portion of human labour, whether of brain or of muscle. It is chiefly in the petty affairs of housekeeping that coin passes from hand to hand. All large mercantile transactions are conducted on a

¹ It will be thought that the word "money" in the title should be replaced by "riches," and indeed the change might avoid some momentary misconception, but one of my theses—no doubt an elementary one—is that the ready possibility and existence of riches is due to a secondary or accidental attribute or function of *money*. After dealing with this consequence, and some conceivable modes of avoiding it, I do in the sequel chiefly mean "riches" (inequality of possession), though nowhere do I mean that which in the true sense is "wealth" (real and absolute value to the commonweal). I feel that I owe an apology to professed Economists for presuming to write on a subject outside my province ; they are, however, well accustomed to have their domain taken an interest in by outsiders, and they will not be unduly hard on another vagrant. Perhaps I may as well in this place summarize the propositions which I maintain in the text, and add that the paper was written, at the request of the Liverpool Branch of the Christian Social Union, more than a year ago.

1. That human labour is the ultimate standard of value, and that coins might instructively be inscribed in terms of labour.
2. That by the institution of banks, stocks and shares, and of inheritance, the original exchange-power of money has become subordinate to its secondary and accidental but now supreme and unlimited storage-power.
3. That the possession of money means the control of one transfer of it ; i.e. the determining of when and how it shall become active and influential on life.
4. *That since wealth is the power of determining the direction of human activity, the personality of the owner is a vitally important factor.*
5. That large fortunes are a menace to society by reason of the contrasts they emphasize, the power they confer, and the uncertain character of their owners.
6. That the present frequency of large fortunes is due to artificial social arrangements, which may be altered ; and that it is desirable to reconsider and modify the law of inheritance.
7. That steady industry and moderate income are wholesomer, both for a nation and for an individual, than feverish activity and rapid acquisition.
8. That financial interests play a greater part in national and international politics than is desirable.

basis of book-keeping, and no coin is, as a rule, actually paid over by anybody.

A thing is of value when it has cost human labour to produce it, and when it can be put to some use, whether of ornament or utility. Mere scarcity is not a criterion of value. Helium is scarce enough, but it would fetch a poor price in the market. If it subserved a useful purpose, the lack of price would not matter, but the scarcer a thing is the less likely is it to be generally useful.

The ultimate standard of value is human labour, but as a practical standard certain valuable counters are used. A sovereign is not a *mere* counter; it is a valuable commodity. It satisfies the two criteria of value: it cost human labour, perhaps life, to find it, and it can be used for dentistry and acid pans and wedding rings. As practical and proximate standards of value sovereigns serve, but the ultimate standard is human labour. If gold could be picked up like stones it would have to be demonetized; it would no longer serve as a practical standard of value, because its relation to human labour would have altered. Every large discovery of gold acts in this direction, and depreciates the value of a sovereign. Whether this is to be considered a calamity or not depends upon how we regard society. I shall not enter into that question.

My first point is that the standard of money value is the amount and quality of human labour it can procure; and if, as Mr. Ruskin suggested, half a crown were inscribed one man's unskilled labour for one day, and a sovereign were inscribed one man's labour for a week, a five-pound note a week's labour of a skilled artisan and his family, it would tend to bring home to unthinking persons the meaning of what they may be squandering. Indeed, other labels could be put upon a sovereign, of some import to society: subornation of perjury is one function of money; temptation to other forms of dishonour is another. I shall let those functions alone.

A labouring man who receives five shillings has done his day's work therefor, and when he expends the five shillings in beer or in boots he practically binds himself to do another day's work

for that beer or those boots. He can choose his own wages in kind, up to a certain limit of value ; the money leaves choice open, but defines the amount of his claim. Suppose, at the end of many years of toil, he has saved £300 ; he has now the choice whether he will cease to work for the remainder of his old age, and live on his savings, or whether he will buy something, say a picture, with them, at the cost of having to continue to work or beg till death ; or, a third alternative, unfortunately only too possible in practice, whether he will entrust his savings (the savings, namely, of his future labour) to Jabez Balfour and his kin. In practice the buying of a picture would be a lunatic act for him, but, nevertheless, in practice people do buy pictures, for £300 and even more. They are thereby handing over to the artist, or more usually to the dealer or middleman, an accumulated stock of human labour, which, if they had to redeem it themselves, would involve them in a good deal of hard work, either past or future. Redeemed in labour somehow it must be, but devices have been found whereby the labour need not be performed by the purchaser himself. He is perhaps a tax-gatherer, or rent-collector, or coupon-cutter, or monopoly-owner, or descendant of a royal favourite, or possessor of some other profitable sinecure, whereby it has been secured that the fruits of the earth belong to him and the labour of it to others.

This is a matter of social arrangement, and has nothing to do with the ordinary purchasing power of money. It is a social arrangement which still has many years of life before it, no doubt, but it is an arrangement on which the spread of education is likely to shed some light, and, when well illuminated, it is an arrangement which may perhaps be changed. I said that it had nothing to do with the purchasing or exchanging power of money, but it has arisen from another very curious property or function of money to which I shall shortly proceed.

Money began as a medium of exchange, a convenient practical standard of universal value, one whose exchanging power could remain dormant and be exercised at will in a way impossible to perishable commodities. This power of exchange is the one legitimate and useful and wholesome function of money, and will,

I suppose, last a long time, for it defines the relative claim of each individual upon society, and indicates to him when he is stepping near the limit of his permissible demands. It is difficult to imagine that a check of this kind will ever cease to be necessary, but it is too much our habit to suppose that what has lasted ten centuries must henceforward be eternal. It is usual for human systems to have their day and cease to be; it is hardly likely that money is so nearly divine in its essence and action that it will prove an exception to the rule. The institution of money as defining relative claims does not even now obtain in the family. The claim of a member of the family who is lame or blind or chronically ill may be very great; on the other hand, the service rendered by a member who is well and strong and able may be very great; but one does not *pay* the other. Co-operation and mutual help is the rule. To some extent it is the rule in any friendly association—even an association for profit, at least when the profit is not that of the workers. One member is sick or incapacitated by accident,—others do his work for a time. On board ship, for instance, I suppose this happens, without any question of money.

So when, some day, the human race or a nation has become a family, its members may manage to serve and be served according to their real necessities and powers, and not according to some conventional code carefully checked off and limited by means of counters. Utopian! doubtless, but several things taught by Christianity are utopian. By aiming at perfection something far short of it may be attained. It would be strange if, in an ideal Christian State, it should be necessary to check and limit the demands and services of its members by a system of tallies and book-keeping. Indeed, even now a person in illness or other bodily need is taken care of, independently of his means; and that in no grudging spirit, so long as his need is not the result of old age. In that last evil case, indeed, the assistance afforded him is of the most grudging and ignominious kind; but if afflicted with disease, especially if it be an interesting ailment, no inquiry is made as to whether it arose from indolence or vice; he is taken skilful care of by society until dead or reasonably

well. So that even now the purchasing power of money is in some cases dispensed with, and direct service rendered according to need. Nor is the effect of hospital aid on its recipient found to be evil ; on the contrary, it has often proved regenerative, and has done something to humanize the feelings which other forms of social activity had sown and fostered.

Press this a little further, into rooms of health instead of only into rooms of sickness, and an approach to one aspect of William Morris's "Nowhere" will have been attained. Far be it from me to press that Utopia in detail, or to praise it as entirely desirable; all I need show now is that the idea of dispensing with money is not so hopelessly fanciful and impracticable as at first it sounds.

Once more, in certain cases it makes but little practical difference whether a community says to an artist or musician or philosopher, "Come and live among us, and edify or interest us, and we will supply your needs in the way of modest house-room, and service, and recreation," or whether it says, "Come, and we will adjudge to you the optional distribution of so many hundred counters annually." The latter method is the more business-like, but, so long as it is only a question of spending and not of saving up for a future day, there is no great difference.

The real and extraordinary use and abuse of money arises from its happening to possess that collateral and at first unsuspected and unintended power of which I have already spoken—namely, the power to be stored and accumulated almost without limit, and afterwards passed on from owner to owner, without service necessarily rendered by the recipient, but always with the power of compelling labour on the part of the bulk of humanity : a kind of magic-wand, compelling homage, obedience, and service to the accidental possessor for the time being.

This secondary function of money has entirely eclipsed its mere exchange function in national and international importance. It has given rise to a new and extraordinarily powerful class, the millionaire and financier class, who "own," as they call it, the land, and the instruments of production, and very nearly own the labour itself. Such accumulation would be

impossible save for the existence of money. No man could store food, or provender, or clothes, or hardware. Moth and rust would corrupt. No man can conveniently or safely hoard sovereigns in any great quantity. Thieves would be too likely to break through and steal. But the ingenuity of man has got over these ancient difficulties, and by aid of stocks and shares it is now quite possible to have our treasure where our heart is.

The result is regarded with equanimity, but it cannot be considered altogether happy and peaceful. Disputes arise between the man who owns the property and the workmen who have to use it. The man who owns it is not, indeed, nowadays always a man: he is often a many-headed monster—*société anonyme*, as they call it in France; and being free from individual feeling and responsibility, is frequently greedy, unimaginative, and thoughtless. A man of means to-day may be at the same time—of course, by deputy—a manufacturing chemist, a coal proprietor, an iron founder, a timber merchant, a ship-owner, a landlord, and a farmer; and not one of these businesses shall he even pretend to understand or touch with the tips of his fingers, so long as he possess a competent agent to superintend it.

By no possibility could one man's labour result in a great accumulation of wealth. Let him be as industrious as a whole colony of ants, and work twenty-four hours a day, he could not for any day-wage earn a million. By steady work a man can earn a living, perhaps a good living, but no more. Fortunes are not made in that way. The fact that fortunes can, and indeed must, be otherwise made, is not an encouragement to steady industry. I believe that it exerts an extremely depressing and unwholesome influence on steady industry.

But it may be said that the personal labour of some men of genius is of vast worth to the human race, and the saying is indeed true; but worth of this kind is seldom rightly estimated by the public, and the coin in which they pay for it is sometimes of a strange kind. Did Kepler or Milton leave a fortune? What price do we offer for the services of a Mazzini or a Gordon? It is not one of the functions of money to pay for

such services as those. As I have said elsewhere, death was the only fitting payment for the Sermon on the Mount.

No more on that subject. Return to our rich men.

Has not a millionaire worked for his fortune? Has he not taken thought for it, and striven early and late, and been clever and strong? Yes, indeed, in many cases it is so; and in any state of society one cannot help admiring the architect of his own fortunes, even if he is the architect of nothing else. But how many there are who are much else! Do we not know of men, noble men in all reality, whose desire is to spend and be spent in the public service, who are foremost in good works, not only with their purses but with their living interest, with themselves?

But what then, has not every condition of society its saints? Ill would it be for the world if the bright powers and heart-goodness of humanity could not anywhere or at all flourish because of the harmfulness of the social atmosphere. There are delicate exotics which may show rare beauty if properly cultivated; these we shall not see in an untended garden; but strong and hardy plants which rear their heads and flourish in almost any climate are evidence, not of the goodness of the climate, but of the vitality and perfection of their seed and sap. Such men are among the best hopes of humanity, the eye of the needle is their opportunity, and, whether it be hard or easy, through it they go.

We may take a lower level than that, however, and say, further, that if every rich man had really been the architect of his own fortune, things would not be so bad. Such a man must have character, there must be some natural fitness between him and his surroundings which has resulted in the accumulation of so much of the world's wealth in his hands. It is well, it is at least permissible, that the man who has accumulated wealth should also exercise the power of it, and have the option of dispensing it. But in nine cases out of ten the maker of the fortune is not its dispenser. He may have no time, he may have no inclination; he passes it on to a successor; he is allowed to do so by the social institution of inheritance.

What natural fitness is there now about this new possessor ? Where is his grit, and strong character, and born mastery of men and things ? It is an affair of chance. He may be a peaceful, virtuous citizen ; he may be a riotous sot : he may be an industrious labourer for the public good ; he may spend all his hours in bed, and think of no one but himself. It is no matter to his fortune ; men work while he sleeps, he " employs " much labour, his property increases of itself : and if he will only abstain from a few rash amusements, like horse-racing or gambling, ordinary vices will in no way damage his property, and he can pass it on to his nephew when he chooses, or when it is time for him, too, to go.

" Work mun ha' gone to the getting wherever money was got." Yes, truly it must, but not necessarily the work of the owner nor even the getter of the money. An ingenious person knows how to direct streams of wealth into his direction without expending much labour (witness some transactions connected with South African and other company promoting) ; and by the institution of the unearned increment, and the further institution of inheritance, it is possible for the idlest scamp on the planet to become a multi-millionaire, for the most vicious to become the patron of twenty livings, for an unscrupulous and selfish scoundrel to have the disposal of a considerable portion of the world's wealth. Is there any consolation in the thought that an unwieldy property is no blessing to the man who possesses it ? Is not this an aggravation of the misfortune ? Evil to everybody else and a curse to the man himself ! Surely it is time to reconsider the institution of inheritance of property ?

Constantly one meets the ghastly fallacy that it matters not who has the money, because it can only be spent, and so every one must share it sooner or later. I want to attack this fallacy. The "sooner or later" is part of it ; time is of the essence of the matter to a short-lived race like ourselves ; if decent income is postponed till too late in life, it does make a difference. But the question of time is the most obvious, and so the least deadly, part of the fallacy ; the deadly part is not seeing that it is the

transfer of money, *the power of directing the transfer*, that is important, and not the money itself. Service can be demanded and may have to be rendered for each transfer, and it is the power of directing the transfer and determining the service that constitutes the wealth. Otherwise money would be infinite; a sovereign can be handed on and on and on, and is there all the time. Is it, then, a hundred sovereigns? No; but one. It is one at each transfer, and that is the meaning of a sovereign. A millionaire has the transferring power of a million sovereigns; he can transfer them when, where, and how he likes: and that is his wealth. By the institution of interest it is indeed more, for by that means he can purchase £40,000 worth of labour every year, and his son and grandson can do the same for ever, if they are only wary and chary of the principal; but that is not my point at present. My point is, that riches consist in the control of the transfer of the money *once*.

When transferred, of course somebody has it, and that somebody has now his portion of transferring power, *i.e.* purchasing power, to exercise; but it has made all the difference to him whether he has had to work in a yard for five years to get the power, or whether it was his to start with. To say that it does not matter who owns the money is nonsense, only possible to a purblind and confused view of the case. This error is not made in respect of other commodities. It is not thought immaterial who has the gunpowder and the bullets, even though the human race is sure to get the benefit of their distribution sooner or later. Their aim and direction of transfer is attended to.

But there is another fallacy, a secondary outcome of the institution of interest. It is said that the capital of a scamp is, after all, invested in remunerative employment, and that though he may waste the income in debauching himself and his fellows, the capital is honestly employed, and results in much labour and profit. But now consider whence comes the profit: why is there a dividend each year in a manufacturing business? and why does money thus grow, as if it possessed vegetable or animal life? Is it not because animal life indeed is at work? Is it not

because of the brains, and arms, and fingers of a thousand able and industrious workers ? Is it not the enterprise and the labour that has really produced the dividend ? Would there be any such fruits without labour ?

No ; but, it will be said, neither could there be any profit without capital. "What capital ?" let us ask. Papers in a lawyer's office, figures in a banker's book, gold bars in somebody's cellar ? No, not these, but real capital—ships and engines, and land and tools, and all the instruments of production ; of which land and sun and air are, after all, chief. Are not these needful to profit ? Most certainly they are. But why on earth should they be owned by that hypothetical slattern or scamp ? "Que diable allait-il faire dans cette galère ?" Why do they not belong to those who use them, or to those who made them, or to the community whose needs they serve ? Suppose that slattern and his bank books and his title deeds were all blown into extinction, blown out of human memory, and ceased to be, in a sane universe ; what would be the difference ? Not much difference to the land and the sunshine and the air, not much difference to the engines and the ships and the tools, not much difference to the manager, and farmer, and artisan, and labourer : but, oh great perplexity, nobody to receive the dividend ! What on earth is to be done with it ? Try and recollect the persons who would have received it had its late owner not so untimely disappeared. Let those persons come for it—a motley crew, not altogether respectable—not an army of whom society is very proud ;—let them come to the manager of the factory, to the steward of the ships, to the accountants in the various businesses dependent on the departed owner's capital, and receive the dividend direct, without pandering to the body of the defunct heir. The spectacle would be an instructive one. The dividend would be really a dividend now, otherwise the difference would not be great. Perhaps, in the light of the instruction afforded by the spectacle, more difference might accrue in time ; perhaps the profits resulting from the labour might come to be otherwise distributed.

So far, however, the effects of the gigantic individual fortunes

encouraged by our modern money system have been of comparatively small area, and almost individual in scope; but there is now a larger function of money to be considered—the tendency of monetary interests to dominate the political world.

I am not touching on party politics—it has nothing to do with one party more than another,—but every one must be convinced that the developments of the British Empire for good or ill are regulated and controlled by financial interests. A savage country is conquered, and its king, as we say, “punished,” when his territory is required for trade purposes—not before; nor very much after: for we are a pushing race, and Maxim guns are fine things, automatic empire-extenders. The motives which induce the unfinancial part of the British public to acquiesce in such violences are not the motives really at work. The destruction of idols and the prevention of human sacrifices are not the real reasons for expensive expeditions. If these were the motives, such expeditions would be crusades. The time for crusades has for the present gone by,—the East is witness enough to that.

We hold whatever is of value in city quotations: we attack when foes are weak, we crouch when foes are strong: we are learning to enslave free though uncivilized people, and make them work for the good of a London company; we have long taught them our vices, and administered to them our diseases; in time we shall exterminate them: and by judicious meekness whenever we have a chance of really dangerous warfare, we may ultimately hope to inherit the earth.

I care not if it is opportune or appropriate to touch on such things here and now. Some of our doings in Africa have been bad enough, but our policy in Crete and Armenia, and every one of our dealings with Turkey I loathe and detest. It was not the policy of the nation—the nation was for once ready for a strong, upright, and disinterested policy. Owners of stocks and shares might quake, but the heart of the nation was sound; it wanted no longer an ignominious and bastard peace, a peace not born of love and pity for humanity, but the offspring of covetousness and fear of the consequences of past misdeeds.

The country was ready for an unselfish act, it was ready to use its great naval strength in support of struggling nationalities. It did not fear the German or any other emperor; it did not want to ask permission of the discord of Europe or any other agglomeration of conflicting interests; and if the nation had been called upon, it would have risen with a spontaneous enthusiasm that would have renewed its youth, shaken off the fat lethargy begotten of its recent commercial prosperity, and placed it once more in a position of dignity and honour in European councils. If our inaction, our misaction rather, and our craven yield, was not the policy of the nation, neither was it the wish of the Government. We were told that any other action was too dangerous. In every way it is clear that what we did, we did not wish to do, and that we wished to see many things done which something, some interests, forbade us to do. What interests were those? The Prime Minister told us in so many words, his position was that of a Trustee. The interests at stake were too great. Decided acts would have been dangerous,—not to army and navy, but to finance. The world is ruled by financiers. Wars are made by those who provide the immediate money for them. Neither Cretan nor Armenian (nor Greek either, for that matter) was in financial favour;¹ so the rulers of the earth decided to obliterate and weaken, so far as it seemed to them good. And we, we who had assumed the responsibility for keeping the Turk in Europe, and for placing the Armenians under his rule,—we, whose pride it has been to sympathize with people struggling to be free and revolting against oppression,—we, who sicken at the thought of massacre in cold blood, what did we do?

Seven miles of war-ships, and dare not lift a finger: dare not make up our own minds and stick to it! In face of a righteous and simple cause, retreat; in face of a weak or small nationality, bluster: this is the outcome of government from the Stock Exchange. There would have been no war, had we been

¹ And indeed they do not appear to be the salt of the earth,—centuries of mis-government seldom develope admirable racial qualities; but the question was not whether they should be admired, but whether they should be slaughtered.

righteously strong; had we shown that what we did was not done in favour of some miserable petty interest, was not done because we wanted another backstairs Cyprus. Hard, perhaps, to convince people of disinterestedness now, after years of—diplomacy ; but it could have been done. Those who think otherwise, will hold that one of the functions of money has been to keep the peace ; fear of disturbed securities has been a potent peace preserver. Well, we shall see how long it will last. Our masters will let us know in good time, and when they choose the time for fighting I doubt if the people will have much heart for the business.

Dread of war at all costs is not the best security for a noble and worthy peace ; nor is it seemly for this country with its great traditions, to be subservient to any masters, contrary to its own sense of right, its own horror of injustice.

“Our masters the Emperors,” some of the papers say : but those are not our real and true masters ; there is a power behind the Emperors, to which even they must submit, though they do so with less grace and habitual ease than ourselves. Newspapers are owned, opinion is manufactured, nations are governed, in one interest, the interest of property. There is a fifth estate of the realm now, more powerful than any of the other four, and the nation bows down before it. The supreme power is the power of the purse. The latest of the functions of money is to rule the modern world.

OLIVER LODGE.

PRACTICAL CO-OPERATION.

RECOGNIZING the importance when writing on a controversial subject of stating one's standpoint, I have to say that mine is that of a north-country workman who believes that the co-operative movement is bringing about a great social improvement. From that point of view, the attack of "Wholesale Trader"¹ seems a somewhat bewildering medley of bare assertions and a suspicious omission of what is essential to a full understanding of the case; and suggests what looks like a distortion of well-known facts of co-operative history, or a remarkable lack of knowledge on the part of one who undertakes to criticize a great movement, and to turn philanthropists, working men, and the general public from the error of their ways. Such a view may of course be due to biased interests and sympathies relative to the subject of this attack, or it may be in accordance with the truth, as in the following reply I shall attempt to show.

Beginning with the assertion that co-operative production is "almost a dream," one has to acknowledge that this aspect of co-operation has not kept pace with its other phases. This has, no doubt, disappointed some of its best friends, and certainly has not fulfilled the expectations of visionaries who imagined that some twenty or thirty millions of the most hampered part of the community would jump into the millennium before the twentieth century. Still, when, in 1897, co-operative production could muster a total of 274 societies, employing 18,458 workers, having capital amounting to £2,324,455, and could carry on a trade of £5,458,406, securing a net profit of £244,992, and marking the development of a special kind of collective business capacity, co-operators can afford to go on

¹ *Economic Review*, July, 1898.

with such substantial dreams, confident in the progress of the last fifteen years.

Again, "Wholesale Trader" will not expect that co-operators will accept the bare statement that the dearness of co-operative goods is "obvious," because in the competitive world skilled persons have to be appealed to. With regard to the productive department of the Wholesale Society, there has been as yet no adequate means of testing the fact, as the constitution of that Society, until recently, did not allow its goods to go to any but its society members. It is, however, rather significant, as bearing on this question, that the constitution has been altered so as to permit of dealing with public bodies, some of which have approached the directors with this object in view. With the independent or local productive societies the dearness of their goods is not very obvious, as many of them find a considerable portion of their trade outside the co-operative movement, and have also to face the competition of non-co-operative goods inside the movement. For instance, the manager of a co-operative firm declared that 75 per cent. of its trade came from the open competitive world, and there are co-operative societies which do not trade at all with other co-operative bodies. Moreover, there are reasons for thinking that co-operative goods may sometimes suffer from a prejudice against the introduction of a new system.

The absence of any "obviousness" of the dearness of co-operative goods in distribution can scarcely be said to be due to the fact that a less instructed public is appealed to, seeing that the managers, the committee men, and the one million and a half of members have the chance of comparing the relative values of their £5,000,000 of co-operative goods, with their £54,000,000 of trade with the outside sources of supply. With this more than adequate safeguard of a wide and open door for competitive goods, the way from the competitive earth to the co-operative heaven is not in any serious danger of being paved with inferior articles at exorbitant or monopoly prices.

So far as I can judge, "Wholesale Trader" has answered

his own objections based on the disparity between ideal and practical co-operation. The prophets see grand visions and announce great principles; while the rank and file of humanity, with many failings, have to struggle on with the stolid, and maybe sordid, gospel of things as they are, and strive to realize high ideals and apply great principles to the actual workaday relations of life. Christianity itself is still in an excessively ideal state, especially in social and commercial relations; but that is no more a reason why we should turn back to Paganism, than the fact that civilization has manufactured evils of its own, or merely transformed those of original sin, is a reason why we should return to primeval barbarism.

If we turn to the relative value and function of competition and co-operation in nature, the witness of science shows that the former has been a potent factor in determining the efficiency of individual forms of life. But it is equally true that co-operative agencies have supervened, not only for the fundamental necessity of propagation, but also for the preservation of individual life. Not only has there been this unconscious co-operation of natural agencies, but the gregarious instinct, prompting large organic groups to live and act in common, shows that competition is not the sole determinant of the survival of the fittest. It is a significant fact that, while such specimens of biological individualism as the whale, the lion, and the tiger are on the decline, organisms such as man, the bee, the ant, and those lowly co-operative veterans, the coral polypes, retain their position, and seem to be gaining a pronounced ascendancy.

To discuss whether a "holier life" is a reality without the presence of sin is of more theoretical than practical importance. We can hardly go wrong in trying to resist and crush iniquity, without any misgivings as to how men shall manage to live the holier life when righteousness shall cover the earth as the waters the great deep. It is much more to the purpose to consider whether competition or co-operation in the moral sphere is the more advisable, or has been the more potent for good; and the history and present-day practice of our Churches and social institutions give a conclusive answer to the question. An

individualistic Christian, as such, would be either a miserly or a discreditable anomaly, and a competitive social reformer is suggestive of a contradiction in terms. Even in commerce, competition has not always had the large and unquestioned position of the last hundred years; and there are unmistakable signs that it may be swallowed up in joint-stock companies and trusts.

But on this matter of competition co-operators can hardly hope to please "Wholesale Trader." For, while criticizing them for excluding competition from the co-operative scheme, he upbraids them for adopting a policy that gives the private shopkeepers the full benefits of the competitive principle. The more recent developments of co-operation, we are told, "have tended towards a relentless competition with the shopkeeper or the merchant." Need one point out that the converse of this is also the case, and that co-operation has found a stimulus and a rigorous test for efficiency in this competition with the outside traders? The amount of overlapping, too, which is held by many co-operators to be the bane of the movement, proves that it does not suffer from any serious defect in this respect. If this relentless competition is driving out the individual trader, may it not be because co-operative methods are the fittest to survive, in virtue of "the progress of conflicting forces which have ever been towards higher types"?

The charge of underpaid labour for the higher branches is an old one, and is more easy to explain and extenuate than to justify. Another account, however, may be given of the way in which the low pay for organizing work originated than that which attributes it all to the inability of workmen to distinguish between this kind of work and manual labour. Many, if not all, co-operative stores begin in a small way, and among the earlier societies nearly all the labour was either gratuitous or but slightly paid; the committee dealt out the goods over the counter in the evening, after their day's work, until such time as they could afford to pay a permanent shopman. Thus, when store managers were first appointed, other working men were making considerable sacrifices of time and labour for the good of the cause; and, though the remuneration these

managers received might not be commercially adequate, it was but natural to regard the deficiency as the manager's contribution of underpaid service for the general good of the store. Any one very intimate with the co-operative movement will have noticed how this idea of contributing unpaid service still lingers in the movement, especially among the older members. This has doubtless influenced the rates of remuneration, and these rates, having become customary, have either held their place or have been the standards by which higher and more responsible work has been roughly determined. Personally, I believe that, to a large extent, the reasons which justified or necessitated these low rates have disappeared; but we have to remember that for such special forms of employment there are no adequate means of determining, from purely competitive sources, what, in view of both commercial and moral considerations, the rates should be. Moreover, working men are not always certain how far highly paid labour, outside their own immediate rank, is decided by custom; how much by the semi-monopolies of social position and exceptional privileges depending on that position; and how much by such stress of competition as that which thrusts their own individual incomes to such a low level.

That they are, however, beginning to realize the necessity of some change is proved by the following resolution, passed at the congress of 1893. Part of this is quoted by "Wholesale Trader," but his omission of the last clause conveys an unjust impression:—

"That, in the opinion of this Congress, the hours of labour and the small remuneration paid to employees in a large number of co-operative stores are discreditable to the movement and opposed to the principles and aims of co-operation; and that the central board are requested to take immediate action with a view to bringing the subject prominently before the different sections of the Union."¹

The occasion of this resolution was the reading of a paper by Mr. Maxwell, the chairman of the Scottish Wholesale Society, and, after some discussion on the papers and the resolution, the latter received the following addition as finally passed:—

¹ *Congress Report, 1893.*

"That the paper be referred to the sections of the central board, and that they be asked to convene conferences of delegates, officers, and employees, at which it shall be read and discussed."¹

One important practical result of these conferences has been the formation of "The Amalgamated Union of Co-operative Employees," which is carrying on an active propaganda by means of a journal, and has been encouraged by the practical sympathy and support of the officials and societies. Though co-operators have this lively sense of sin, and are bringing forth fruits meet for repentance, they are still self-righteous enough to contest the allegation of "Wholesale Trader" that—

"the men are no better, or rather worse, paid in the stores than those employed by private traders, while they work as hard, or harder."

Mr. Maxwell, in the paper referred to, said—

"I do not forget that the average hours set down for co-operative employees are four or five hours less per week than the employees of private traders."

Mr. Hardern, who gave evidence before the House of Commons Committee on Shop Hours, stated, in the discussion following the paper, that—

"the number of hours worked by co-operative employees was not to be compared with those worked in the shops of private traders. . . . He contended, without fear of contradiction, that the hours worked by the employees of the societies in Lancashire were not more than those worked by the factory operatives of the district. Throughout the whole movement, the average hours worked by the employees were sixty per week."

My own knowledge of these districts and of the movement generally enables me to affirm that the general position of the co-operative employee is much less arduous than in the shops of private dealers.

The ease with which "Wholesale Trader" passes from a charge of underpayment to a charge of extensive bribery shows at once what a poor estimate he has of the moral stamina of his fellows. No specific cases are given, except Mr. Maxwell's statement that—

¹ *Congress Report, 1898.*

"the Co-operative Insurance Company declined to guarantee the employees of certain stores on the ground that it was scarcely possible for men to be honest on such pay."¹

Now, though I have heard many vague charges about bribery among the committees and employees, I can remember only one accredited case, and that was of one of our most highly paid agents. There is a practice among some of the wholesale firms dealing with co-operative stores of sending Christmas hampers to committees and store managers which is perhaps difficult to classify, but which may be regarded either as a time-honoured custom of private traders, or a delicately veiled form of gratitude which is an anticipation of possible good things to come. That they have any serious effect on the buying there is little reason to believe, and that there is or ever was as much bribery as our critic imagines seems to me incredible.

When "Wholesale Trader" attempts to account for the origin of the Co-operative Wholesale Society, his misconception is most apparent. Is it at all likely that any set of men would make great and deliberate sacrifices for co-operation, and rear up a great society such as the Wholesale, merely to stop the paltry tampering of private wholesale traders with the honesty of a comparatively few men? Even supposing the charges correct, to found a great establishment such as this would have been a most preposterous case of "yoking elephants to wheelbarrows." If such *prima facie* evidence, however, be not conclusive, we have still alive amongst us those who can give personal testimony as to the motives which prompted the founders of the Society, and this testimony I have been able to get from the best possible sources. I am told that—

"The only thing which the promoters of the Wholesale Society had in mind at that time was to obtain better facilities for the purchasing of goods. It was found that co-operators were actually pitted one against another, and therefore the promoters of the Wholesale urged that they should buy in common, and so obtain all the advantages of wholesale purchases. It is absolutely false to suppose that bribery had anything to do with it. There could have

¹ *Congress Report, 1898.*

been little bribery in those days of small beginnings. In fact, the wholesale merchants fought shy of co-operative societies, and in many instances would not sell to them. Hence the need of a wholesale society was made perfectly obvious."

With reference to the complaint that the price-list of the Wholesale is a secret document, and difficult for private traders to obtain, it does get into their hands sometimes, for I have personal knowledge of cases where private merchants have seen the list before the committees with which they proposed to bargain. These facts are well known in making out these lists, as well as that disloyal managers use them as a means for beating down the private merchant who is willing to sell to co-operative societies at lower rates than he would to traders whose money is not so secure. There seems, then, little doubt that the Wholesale Society's trade is controlled by competitive prices, and will disappear if their goods are not as regards quality and price as satisfactory as those of the private merchant. Any one who would commit himself to the statement that the bulk of the co-operative stores are "tied shops" of the Wholesale, and "have to take what is sent to them unless something preposterous is done," would be regarded as ignorant of the plainest and most easily ascertainable facts, if we did not know that the same person, in order to show the enormity of bribery in the co-operative system, had stated that a safeguard against this had been "sought in a federation which should buy only through a common head, the Co-operative Wholesale Society." If we only put the two statements together, it will not be difficult to see by what an ingenious attempt the cart is made to draw the horse. The bulk of the societies are "tied houses" in the sense that they have, for the sake of mutual advantages, combined to make wholesale, or the most direct, purchases; but to say that (with the exception of a few "People's Stores" in London, which are supposed to buy everything from the Wholesale) they have to take what is sent to them, is wholly untrue. The sales of the co-operative stores in 1897 amounted to £40,125,359, and the sales of the Wholesale to £16,325,464; so that if there was any actual compulsion in the matter, the

co-operative societies could not have been "tied" to the extent of more than one half of their trade.

The facts as to the alleged bad fruit buying in Greece are as follows, according to the testimony of authorities on the subject.

"It is absolutely false that old fruit was mixed with new in the year mentioned. There is a standing difficulty with the Greek fruit trade, because, however well the people are watched, attempts are made at deception; but the quality of fruit must in all cases come up to the standard of samples which are first supplied. In case of default, deductions are made, and only last year £300 was deducted from one grower because inferior fruit had been sent. A form of bond has been prepared for the Wholesale Society by a legal authority in Greece, which fruit-sellers to the Society must sign, and, in cases where sellers fail to come up to the requirement of the bond, severe penalties are incurred. Many growers have already been punished according to the legal forms of Greece."

What "occurrences" are referred to in high co-operative circles we are not told, and therefore I cannot deal with them. In passing, one might say that there is only a chance for wolves to masquerade in sheep's clothing where there are a sufficient number of fully accredited sheep to make it worth while to have the reputation, if not the genuine character, of belonging to the fold.

"Wholesale Trader" evidently sees the difference between a centralized system of co-operation under the despotic control of "Napoleons of Commerce" and the centralizations of a co-operative system under the democratic control of its members, who leave an open door for the community generally, both in the control of business and the sharing in benefits. That there are dangers of over-centralization the more far-seeing of co-operators are aware, and on the distributive side of the wholesale system the mode of its origin has, in my opinion, gone a long way to secure for it the safeguards and benefits of local control, arising, as it has done, out of local needs and enterprise; and the gradual formation of divisional meetings, and the development of the practice of taking votes in various parts of the country, shows that these safeguards are operating

and affecting the policy and constitution of the wholesale system. The greatest perils and evasions of avowed co-operative principles are to be found, according to my opinion, in the general practice of its productive and financial departments, and more especially in its methods of remuneration of labour. This article, however, is not the place to discuss these difficult subjects, and I merely refer to them to show that I am no blind believer in the infallibility of the Wholesale Society's policy ; but all co-operators are ready, in case of emergency, to close ranks with their fellows, and repel what seems to be an unfair attack on their system.

Referring to what is said as to the recent boycott of the co-operative movement, I know of no statements that have been made which would "justify an attitude which, to all level-minded people, must appear a sad mistake." Dealing with the charges made against foremen in Scotland, the following facts, obtained from a letter appearing in the *Co-operative News* of March 16, 1898, will throw light on the matter. The letter is too long for insertion here, and, as it will serve no good purpose to mention names, I will suppress them in the extracts I make. In an article, said to have been written by one of the largest grocers and provision dealers in the district to which the charges refer, appeared the following :—

"The reason of the success of the movement here is not far to seek. First and foremost, in my judgment, it is traceable to the unwarrantable influence brought to bear upon the men in the large public works by the foremen. Many of these foremen are directly interested in the success of the co-operative movement, and you know what that means—how plastic the worker is in these times when his bread and his butter are concerned. You have the same influence brought to bear in these extensive works that you have exercised by trade union organizations. I make that statement deliberately, and defy any man to contradict it who knows the facts."

This charge is said to have surprised and annoyed the foremen complained of, and a meeting was called at which thirty-two of them were present, and all of them emphatically denied the charge. They instructed their law agent to demand a withdrawal of the imputations. The writer of the article, instead of

following up his defiant challenge, placed the matter in the hands of his lawyers, who requested the names of the persons on whose behalf the withdrawal was asked. After considerable delay and a threat from the foremen to take legal proceedings, the following letter was received by them :—

“ Referring to your representative’s call we have now seen our client, who instructs us to say that any remarks made by him did not apply to any of those whose names are contained in the list sent to us.”

The foremen interested regarded the charges as virtually withdrawn, and the facts of this particular case will show us how some of our opponents bring big accusations for which they have extremely small proofs.

Seeing that the wholesale and retail trades of the country are generally reckoned together in one total when co-operation is compared with the competitive system, it seems manifestly unfair to reject its wholesale turnover because the same agencies are ultimately concerned both in wholesale and retail societies. I shall, therefore, in examining the facts, figures, and arguments in this connection by “ Wholesale Trader ” give the figures and totals for co-operation as they are stated in its own returns. He is avowedly criticizing working-class co-operation, and his figures have to be tested in the light of working-class incomes. The proportion of the national income he puts down for co-operators is £180,000,000, or, according to his own figures, an average of £150 a year for every member. Surely, if this be the case, individual co-operators must be a fruitful source of income-tax, without resorting to co-operative profit, as the most superficial knowledge of the actual incomes of the working class will enable one to see that this amount is an extravagant estimate for a large portion of those directly affected by co-operation. These figures credit co-operators with an income which the present distribution of the national income does not give to the working class, and to no large section of co-operators. Mr. J. A. Hobson estimates the working-class share of a national income of £1,300,000,000 at

£500,000,000. He further states that Professor Leone Levi reckoned the number of working-class families at 5,600,000 in 1884.¹ Assuming there may be now 6,000,000 families, the proportion of working-class incomes we can apportion to the co-operative portion of it would be about £125,000,000. Excluding from the returns for 1897 the sales of the non-working-class stores, the total is stated as £59,388,151, or 47½ per cent., or nearly one-half instead of one-fifth of the total income of co-operators. It is a mistake to assume that what co-operators do not spend at the co-operative stores necessarily goes to the private trader, for the bulk of working-men have such charges as rent, rather heavy taxes, and doctors' bills, and, when these are not too pressing, those who are thrifty are placing their savings either in the stores as share capital or in the savings banks. In proportion to the purchasing power of co-operators, the turnover of the store is certainly much larger than the arguments of "Wholesale Trader" would make out.

There is no "trick" about co-operative profit for any one who has a clear notion as to its real economic nature. This has been admirably defined as the difference between the buying and the selling price of the commodities dealt out, minus the interest on capital, working expenses, wages, leakage, etc., educational and other grants for charitable and other purposes; which difference is returned to the purchasing members in proportion to their purchases. As compared with private trade, the commercial flaws, if there are any serious ones, must be found either in the buying, the amount of interest paid on capital, the leakages and laxity of management affecting working expenses, or in the relatively large grants for charitable and other purposes. In all these respects co-operative stores are exposed to the competition of private dealers, and in some places with one another, so that they have about the same tests commercially as apply to other methods of commercial enterprise.

The distinction drawn between a shareholder and a customer in co-operative stores is not of much practical importance, as any customer can easily become a shareholder to the extent of

¹ *Problems of Poverty*, p. 3.

his means, and the distribution of co-operative profit gives the means. As a matter of fact the great majority are members or shareholders. The share capital per member is limited by law, and in many societies is further limited by rule, in some cases to a low maximum. The main social difference between profit obtained by ordinary capitalists and by co-operators is in the mode and the extent of its distribution. The £6,717,876 of profit for 1897 was shared out to some 1,591,455 consuming families, instead of going to a much smaller number of individual capitalists and dealers. Excluding the question of paying workmen—and there is no guarantee that private dealers in general would undertake to do this on more generous lines except under compulsion—it is irrelevant, from the commercial point of view, to say that private traders would do the work at a third of the profit. The point really at issue is—can the average private dealer do better for the public than the community as a whole, or a substantial part of it, can do for itself, on the basis of the Rochdale system of co-operative supply, which secures the accumulation of capital and the organization of an assured market? It is certainly difficult to see how it can be done except by a few large firms, under the expert guidance of organizing geniuses, which possess the same advantages of large capital and extensive organization, and by which the middleman is to a considerable extent eliminated; but even these fail to get the self-assured custom of the Rochdale system. Co-operators might get far more out of their capital by perfecting their own system and increasing their turnover in relation to the capital employed; but co-operation deals in goods for direct consumption, and, other things remaining the same, increased rapidity in turnover would mean increase in co-operative consumption, which, whether desirable or not, would not benefit co-operators in the same way that increasing turnover does the individual trader. Co-operation aims at saving all the profits of the middleman, by efficiency of organization, by well-assured connection, or by the most effective manipulation of capital; and it seems to me, both from theoretical considerations and from facts of experience,

that its other advantages more than compensate for the lack of that agility by which the small trader in individual cases may hold his own against large capital and business organization. Of course there is here and there a business genius who can invigorate a large business with all the rapidity of turnover that an average man of successful trade can develope in a small establishment. But geniuses are rare, and what can be done by them ought not to be put to the credit of private trade as a whole when comparing it with the efficiency of the co-operative system.

As to the philanthropic and educational aspects of co-operation, it is necessary to point out that the whole system is an educational agency to promote social activity and efficiency, and that its financial results have made a form of mutual philanthropy possible which avoids the dangers of moral enervation to which other forms are liable. The foundation and the progress of some seventeen hundred societies, of all sizes, and in widely different localities, knit together for propaganda as well as for commercial purposes through their Co-operative Union, Wholesale Societies, Labour Association, and Productive Federation, besides local business and educational committees, imply that an enormous amount of working-class education is going on. From seventeen thousand to twenty thousand committee members, for the most part working men, are being trained in business habits and financial responsibility, millions of pounds passing successfully and safely through their hands. Each local committee is developing the capacity for collective management, and each society is habituating its members to unite for economic and social ends; while the centralizing influences of the movement are educating them in solidarity of sentiment and interest. This is education of the highest possible type, though it may not be generally recognized as such. The amount of profit granted for educational purposes as generally understood is certainly much too small for its avowed aims and for its future success. But co-operators are gradually realizing more fully their obligations and their interests in this direction. The amount granted is really a much higher percentage than 0·8. when viewed in

relation to those actually making those grants. Many societies grant 2½ per cent., and I know a large society which grants 4 per cent. of profit for educational work. The lowness of the percentage in relation to the total profit of the movement arises from the fact that large numbers make no grants at all; some because they are too poor, and some because of an excessive love of the material rather than the intellectual advantages of co-operation.

Much the same may be said of co-operation as a philanthropic agency. As "Wholesale Trader" admits, the dividend enables many a family either to accumulate a small sum for a "rainy day," or to make useful household purchases out of funds which otherwise they would never have. But even in public benevolence, co-operation does much that is not declared on the housetops. All the societies of which I have any knowledge make regular and systematic grants to public institutions, as well as occasional ones for special emergencies. During the Jubilee year, many large sums were given for various public objects.

In trying to discredit the success of co-operation, notwithstanding its alleged inefficiency, "Wholesale Trader" involves himself in a strange position.

"The attraction," says he, "to the public, apart from the enthusiasts, is, not better or cheaper supplies, but the 'divi' and the dividend."

Further on, when he wishes to urge that one advantage of co-operation may be secured by means of the system of limited liability, he has another way of getting out of the fact that co-operators are still increasing. He says—

"It may be said that these evils will cure themselves, for people will not keep on buying dear goods. But the fact is, they are misled by the moral tinsel with which the movement is bedizened."

One has only to put these two statements side by side to see what a remarkable faculty "Wholesale Trader" has for blowing hot or cold, according to the exigencies of the argument, but invariably to the disparagement of co-operation. It is

"divi" hunting when co-operation has to be discredited morally, it is "moral tinsel" when its commercial efficiency is to be explained away.

It should be remembered that Great Britain has only some seventeen hundred societies, out of a probable total for Europe of about thirty thousand societies; and so there is little prospect of co-operation deluding a nation with such a strong shopkeeping instinct as our own, or endangering its efficiency in competition with other countries. If the English people should choose to democratize the whole system of distribution on some such lines as the Rochdale plan, their immense practical sense would help them to keep it from becoming a financial danger.

The co-operative store system, considered commercially, has all along been tested by the forms and tactics of outside competition, and its present success, as shown by the adherence of about one-seventh of the total population, testifies to its general economic efficiency. Looked at morally it has, like all great social movements, ideals which stretch beyond its present actual practice—a circumstance which at least shows that there is scope for further developments. To say that a movement, the members of which own an average share capital of less than £12, and are prohibited by law from holding more than £200, is "intensely capitalistic" is a perverse use of language. The writer seems merely to wish to discredit the large results obtained by the small means at the disposal of the working class—results obtained by the self-restraint of all, and the positive self-sacrifice of many, and by the power of holding together in spite of disintegrating influences within, and intimidation, opposition, and boycott from without. If the altruistic ends have been forgotten, how then does the "moral tinsel" keep co-operators from seeing the commercial defects of this "joint-stock trading movement of an intensely capitalistic and selfish nature"? Their system is too much under the supervision and control of the State to become one of "actual oppression;" and its effects on the small trader is an incident common to all attempts at reducing the costs intermediate between the first stages of production and the final consumption. Large individual traders,

"universal providers," and limited liability companies are just as guilty of "ruining the small trader by thousands" for their own benefit; while co-operators, by giving the whole community the opportunity of sharing in their advantages, render the alleged prospects of a tyrannizing monopoly impossible, at any rate as regards the consuming public. Moreover, facts have been added to show that the little shopman, who is displaced from the relentless competition which pursues his small and risky venture, is to some extent reinstalled by co-operation under better conditions than he is likely to obtain under other forms of shopkeeping on a large scale.

That the movement is not making the progress in some directions which it might and ought, is seen by the clearest-headed among co-operators, and deplored by many of its nobler spirits. It must be admitted that those who have sought its benefits have exceeded those who have understood and accepted its principles; but, though this is deplorable, it is easily explicable by the fact that co-operators come from those ranks of the community in which competition has acted on their lives, characters, and social conditions with ruthless severity. He who will not look at the subject in the light of the history of the last century ought not to sit in judgment upon modern working-class movements.

For my own part, I may say that for over twenty years I have been connected with the co-operative movement, and have known many of its leaders and officials; and I am confident that its ideals have not been wholly forgotten. The increasing number of educational agencies, the persistent resolve to make productive co-operation a success, and the growing sense of solidarity and fellowship,—all these go to prove that co-operation, however haltingly, is gaining ground among large sections of people in our own and other lands, and is moulding them for mutual service in the common cause as no other single economic agency has done in this century.

ROBERT HALSTEAD.

CHILD LABOUR AND THE HALF-TIME SYSTEM.

THE final protocol of the International Labour Conference held at Berlin in 1890 contains the following regulations, to which the representative of Great Britain agreed :—

“(1) That children of either sex not having reached a certain age be excluded from work in factories.

“(2) That this limit of age be fixed at twelve years, except for Southern countries, where the limit may be ten years.”

That this country is alone in not having carried out the provisions of the agreement is probably due to the strenuous opposition with which any proposal to raise the age for half-time labour in factories is met by the operatives of Lancashire and the West Riding, the grounds of opposition being that the family earnings of the operatives would be permanently diminished if the age limit were raised. Child labour is, however, one of the chief obstacles to a permanent rise of wages in any given trade, and for three chief reasons. (1) Earnings supplementary to those of the head of a household, unless they result in a rise of the family standard of comfort, do not increase total family earnings. (2) The early work of children lessens the efficiency of labour as an agent of production by diminishing the intelligence of the labourer and by impairing his physical capacity. (3) Child labour, habitual in a trade, is an obstacle to a rise in the standard of comfort of those engaged in the trade.

I. It is generally accepted by economists that even when the products of national industry are sufficient to permit a permanent rise of wages, the claim to such a rise can only be made effective by a rise in the standard of comfort of the workers. It is the family standard of comfort which determines the normal wage in a given trade, and the wage remains fixed as long as the standard

remains fixed. It is, of course, true that a rise in the rate of wages, extended over a considerable period of time, may result in a raised standard of comfort ; but, unless such is its effect, the rise will not prove permanent. Now, as will be shown later, the tendency of the fact that children in a certain class habitually start work at an early age is towards lowering rather than raising the standard of comfort. Consequently, the earnings of such children cause a reduction of the wage of the head of the family in time of stress to be less obstinately resisted. That supplementary earnings do not, as a rule, result in increased family income is a position which can be supported by a theoretical argument, by the opinion of economists, and by appeal to statistics.

The earnings which I have termed supplementary are of two kinds. They may be gained by the head of the family, as supplementary to his weekly wages, by extra labour, either in his own trade or in some by-occupation, or they may consist of the earnings of wife, or children, or both wife and children. The effect of each variety of supplementary earnings on the wage of the head of the family is precisely similar. Directly such contributions become constantly incidental to a particular employment the wage of the head of the family tends to be reduced by the amount of the incidental contribution. If the cost of maintaining a family remains stationary, the total earnings of the contributory members of that family tend to approximate to that cost. At the hiring fairs still held in the remoter country districts a would-be farm servant carefully inquires as to the kind of cottage and the extent of garden or allotment to which he will be entitled if he takes service on a particular farm. The better the prospect of supplementary earnings from his garden the lower is the rate of nominal wage which he can be induced to accept ; and supposing his nominal wage in a time of prosperity to be just sufficient to maintain his family in ordinary comfort, in a time of stress his nominal wage can be reduced by exactly the amount of his earnings from the garden. A waiter, who estimates that in a certain restaurant he will be able to earn three shillings a day in tips, will, when the

supply of waiters is greater than the demand, accept the place for three shillings a day less than he otherwise would.

"The effect of labourers having this additional resource," writes Mill, "is almost certain to be (unless peculiar counteracting causes intervene) a proportional diminution of the wages of their main occupation. The habits of the people . . . everywhere require some particular scale of living, and no more, as the condition without which they will not bring up a family. Whether the income which maintains them in this condition comes from one source or from two makes no difference; if there is a second source of income they require less from the first."¹

Professor Marshall writes similarly:—

"We must take account of the opportunities which a man's surroundings may afford of supplementing the earnings which he gets in his chief occupation, by doing work of other kinds. And account may need to be taken also of the opportunities which these surroundings offer for the work of other members of his family."²

The following figures, published in the Sixth Annual Report of the Massachusetts Labour Bureau, justify, to some extent, the assumption that the effect of each variety of supplementary earnings is similar. They are the averages taken from the actual earnings and cost of living of 393 families.

Occupation.	Father's Yearly Wages.	Number in Family.	Total Earnings : Wife and Children.	Total Earnings : Family.	Total Cost of Living.	No. of Women and Children Working.
Shop	752·36	4 $\frac{1}{2}$	69·04	821·40	772·21	0 $\frac{1}{2}$
Metal workers	739·30	4 $\frac{1}{2}$	90·51	829·81	723·00	0 $\frac{1}{2}$
Building	721·32	4 $\frac{1}{2}$	73·00	794·32	740·03	0 $\frac{1}{2}$
Teamsters	630·02	5 $\frac{1}{2}$	105·00	735·02	729·00	0 $\frac{1}{2}$
Boot and shoe	540·00	4 $\frac{1}{2}$	209·00	749·00	693·13	1
Metal work labourers	458·09	5 $\frac{1}{2}$	256·08	714·17	697·92	1 $\frac{1}{2}$
Mill operatives	572·10	5	250·35	822·45	755·04	1
Mill labourers	386·04	6 $\frac{1}{2}$	284·08	670·12	638·99	1 $\frac{1}{2}$
Shop labourers	433·06	5 $\frac{1}{2}$	232·02	665·08	642·08	1 $\frac{1}{2}$
Out-door labourers	424·12	6 $\frac{1}{2}$	257·93	682·05	650·81	1 $\frac{1}{2}$

The 393 families were distributed amongst the various trades as follows: building trades, 57; labourers in cutlery and iron

¹ *Political Economy*, bk. ii., ch. xiv., § 4.

² *Principles of Economics*, vol. i., p. 635 (3rd edit.).

works, 17 ; outdoor employments, 98 ; shop trades, 24 ; labourers in shop trades, 10 ; metal works, 61 ; factory operatives, 35 ; other operatives, described as mill labourers, 38 ; boot, shoe, and other leather trades, 39 ; teamsters, 14.

The figures show, as regards 393 American families : (1) that total family earnings approximate to the total cost of living ; (2) that the lower rates of wages coincide with the larger number in family ; (3) that a larger number of working women and children in the family, coincides not only with a low rate of wages for the head of the family, but with a low aggregate family earnings.

" It is found that, *ceteris paribus*, those trades are generally the worst paid, in which the wife and children of the artisan aid in the work. . . . It is even probable that their collective earnings will amount to a smaller sum than those of the man alone in other trades."¹

And the figures supplied by the Massachusetts Labour Bureau prove that, as regards at least those 393 families, Mill's opinions are well founded.

An interesting and a very fair comparison can be made between those employed in the building trades and those classed as "mill operatives." These workmen are of about the same industrial rank. The cost of living among the mill operatives is \$15 per annum more than among the building trades ; but the average number in family is five among mill operatives and four and a half among the builders. The father's yearly earnings among the builders amount to \$721.32, whilst the mill operative earns but \$572.10, a difference of \$149.22. For every paterfamilias working among the factory operatives one other member of the family also works ; whilst among builders only one person in three families, other than the paterfamilias, works. So that, with three times as much child and female labour among mill operatives as among employees in the building trades, only the same standard of comfort has been maintained.

There is no class in England in which child labour has become so habitual as among the factory operatives of Lancashire and

¹ Mill, *Political Economy*, bk. ii., ch. xiv., § 5.

Yorkshire. Into the history and origin of the employment of children in factories, this article is not an inquiry. But it should be pointed out that both the spinner and the weaver engaged in the textile trades are highly skilled workmen, whose delicate manipulative dexterity, we are told, can only be acquired by commencing a long training early in life. We know, also, that they are usually intelligent men; and that labour in the textile trades is more than usually well organized. In spite of this the average textile operative earns no more than a regularly employed London dock labourer; and the standard of comfort which he enjoys, in common with the members of the skilled trades, is maintained with the help of the earnings of his wife, or his children, or both.

The average earnings (men) in the worsted trade are £1 3s. 4d. per week; in the woollen trade, £1 3s. 2d.; in the cotton trade, £1 5s. But to find the actual earnings in a year, 10 per cent. would have to be deducted for lost time.¹

In the minor textile trades the weekly average earnings of men range from 19s. 4d. in the jute trade to 27s. 3d. in the lace trade.²

The representatives of the operatives in their evidence before the Labour Commission corroborated the accuracy of these figures. Mr. Thomas Birtwistle, secretary of the North East Lancashire Weaver's Association, said that the highest wages earned by members of his union were 30s., or, more safely, 28s. The lowest adult wages were 12s. per week.

It may therefore be asserted that, in the long run, and from the purely financial standpoint, the earnings of children are rather to the detriment of the workman than to his advantage. And the inquiry into the direct effect of child labour upon wages may be concluded by the citation of two authoritative opinions:—

An American economist³ speaks of—

“the noteworthy fact that, as a rule, it seems to fail to benefit the

¹ *Return of Rates of Wages in Principal Textile Trades.* [London, 1889.]

² *Return of Rates of Wages in Minor Textile Trades.*

³ Prof. Ely, *Introduction to Political Economy*, quoted by W. F. Willoughby, *Child Labour.* [American Ec. Assoc., 1890.]

labouring population, on the whole, and for any length of time, for wife and children to earn money, even apart from all other considerations than mere money-getting. The world over, when it becomes customary for wife or wife and children to work in factories, it very soon becomes necessary for them to do so to support the family."

Again, and this time a statistician :—

"It is likely that if by compulsion the children of the State be taken from work and put into school, there will be individual cases of suffering and hardship, but these will be only temporary. The rates of wages after a little time will readjust themselves to the new state of things, and the same amount of money, or a somewhat near approximation to it, will be earned by the head of the family as is now earned by him in conjunction with his children."¹

II. It has been stated above that two things are necessary before a permanent rise of wages can take place: (1) that there shall be such a productivity of the agents of production, including labour, that such a rise shall be possible, and, (2), that there shall be such a rise in the standard of comfort of the wage earners as shall make their demand for increased remuneration effective. What follows is an attempt to show (1) that child labour renders labour in general less efficient, and (2) that it hinders a rise in the standard of comfort.

The child labour which the law of this country recognizes as permissible in ordinary school hours and during school age (*i.e.* under the age of fourteen years) is chiefly that which is known as half-time labour, and which obtains principally in the textile industries. Children may commence work as half-timers at the age of eleven years. The children who do commence work at that age are robbed of the most valuable part of their education, regarding education even from a commercial point of view.

In his² eleventh year a child usually reaches Standard V. That is to say, that he has then acquired the power of reading with fair fluency; he can write from dictation a paragraph of average English without making many blunders; and he has

¹ Hon. Carroll D. Wright, *6th Ann. Report, Mass. Lab. Bureau.*

² I use the masculine for convenience. All that is said, of course, applies to girls.

mastered the primary rules of arithmetic, together with the English monetary system, and weights and measures. The next three years, then, ought to be spent in consolidating the elements which he has been taught and in making them a permanent possession; for if he leaves school without doing that, the years which he has spent, and the money which a benevolent Government has spent on him, will be wasted. Moreover, the curriculum can now be extended, and the child may be taught other subjects, either of practical value in earning a livelihood, or as enabling a strictly technical education to be given with profit, or subjects of a purely educative value. Accordingly the code prescribes that in this Standard V. certain "specific" subjects may be taken up. There is a wide choice, and not more than two subjects may be taken, the two being chosen according to the needs of the neighbourhood, or according to the teacher's opinion of what is valuable. Boys may be taught the elements of algebra, some propositions of Euclid, may have *experimental* lessons in mechanics or some branch of physical science, may learn shorthand, book-keeping, French, and so forth. Girls are usually taught domestic economy, cookery, or laundry work. Boys, again, at this age, under most of the school boards of the towns, are taught some handicraft, under proper supervision,—a training for the hand and eye of a nature far superior to "doffing," "piecing," or "sweeping up." But when school hours are restricted to eleven and a half per week, when boys and girls come to school drowsy and indifferent, it goes without saying that these opportunities for a more thorough and a more generous education cannot be seized; and by so much the child whose school education partially or wholly ceases at eleven years of age will remain economically less efficient during his working life.

I will not dwell upon the damage to the machinery of a school caused by the admixture of half-timers, making up their attendances in a variety of ways, with full-timers.¹ This fact,

¹ See evidence of Mr. Waddington, *Minutes of Evidence*, Labour Commission, Group C. Also T. P. Sykes, "The Factory Half-Timer," *Fortnightly Review*, Dec., 1889.

however, should be noted. There is springing up in all parts of the country a system of scholarships which enables picked boys and girls from elementary schools to get the further education which prepares them to take that part in the industry of the country for which they are fitted by their superior energy and ability. But no scholarship system has yet been devised which will allow clever children among the half-timers to secure their fair proportion of such scholarships; and this, surely, is a distinct loss both to the children and to their country.

Further, does early work impair the physical efficiency of the labourer, and thus diminish both his productivity and his capability of earning a high "differential" wage? We can, most readily, answer the question by referring to the case of the factory half-timer. Mr. Waddington, practically the whole of whose working life as a teacher has been spent in a half-time school, gave evidence before the Labour Commission. He was quite positive of the physical ill effects of half-time labour upon children, and said that in his opinion the strain told severely between the ages of ten and thirteen in the case of the weaker children, but more generally at the age of sixteen or seventeen, after they had left school. In this contention he was supported by his colleague, Mr. Jones.

Mr. G. Sutcliffe (Bradford), representing the Managers' and Overlookers' Society, and an advocate of half-time labour, admitted that doffers should be promoted before the age of fifteen, as constant stooping tended to deform them. Mr. E. P. Arnold-Forster, member of the firm of W. Fison and Co., Greenholm Mills, looked upon half-time work as a positive benefit. "Children are the happier for dividing the day between factory and school."

Mr. Whymper, chief inspector of factories, was of opinion that the combination of education and manual work, afforded by the half-time system, produced no physical harm, "since a surgeon certifies as to a child's fitness"—a reason which is far from conclusive. Mr. Whymper's evidence certainly strikes one as curious, for he said that whilst three hours a day at

school was quite enough for any child, yet work in a mill from 6 a.m. to 12 mid-day did no harm, "textile work was so light."

But one of the certifying surgeons, Dr. Torrop (Heywood), says—

"The promising child of ten degenerates into the lean and sallow young person of thirteen ; and this process is continued until a whole population becomes stunted ; and thus the conditions of life in factory towns become a real source of danger to England's future."

The Rev. F. F. Cornish, H.M. chief inspector of schools for the N.W. District, says—

"That the age for half time should have been raised from ten to eleven is a good thing, but that factory half time should exist at all is a great injustice, and especially that its principal seats should be districts where the good wages of the workers make such treatment of their children without excuse.

"But this is really what has kept it alive, as the children are in the main well fed and cared for, and so helped to bear the strain which is put upon them. If half-timers were, as a rule, what they tend to become when they start from poor or neglected homes, the public conscience would have swept the system away long ago."¹

In most of the States of America, the factory inspector, if he sees an undersized or feeble-looking child at work can demand a certificate of age, and can send the child for medical examination. The parent of the child is encouraged to apply at the office of the factory inspector for the medical certificate, by the fact that it can there be obtained free of cost. The official opinion of the factory inspectors of Illinois, and of the certifying surgeon, after a year of such work among labouring children, is startling in its contrast to English decorum of expression :—

"The human product of our industry is an army of toiling children, undersized, rachitic, deformed, predisposed to consumption, if not already tuberculous. Permanently enfeebled by the labour imposed upon them during the critical years of development, these children will inevitably fail in the early years of manhood and womanhood. They are now a long way on the road to become suffering burdens upon society, lifelong victims of the poverty of their childhood, and the

¹ *Report of the Committee of the Council on Education, 1895-6.*

greed which denies to children the sacred right of school life and healthful leisure."¹

The above was written "after a most careful examination of children of whom age certificates were demanded by inspectors," and details concerning every child so examined are appended to the Report from which it is quoted. It would be easy to quote page after page of similar evidence from persons occupying official positions. The evidence which goes to show that child labour has no harmful physical effects is more difficult to quote, as it usually consists of a general expression of opinion, on the part of interested and usually unqualified persons, that "it does no harm."

If doubt remains, an appeal must be made to common sense. Is a child, spending five or six hours in the hot atmosphere of a mill, and then two and a half hours in school, or spending nine and a half hours one day in a factory, and five hours the next day in school, at the age of eleven, likely to develope, in the next two or three years of what should be its school life, as it ought? The crucial test is this: would any one not compelled by poverty, or the freshness of whose perception had not been staled by custom, choose such a lot for his child?

We are entitled, then, to say, that child labour impairs the physical capacity of the future labourer, and consequently his power of earning a high "differential" wage; and that regarding labour in the mass as one of the agents of production, it tends to impair the efficiency of the agents of production.

Next, it must be asked, does child labour help or hinder any tendency towards a desire for a higher standard of comfort? The discontent with mean surroundings, unrefined habits, and narrowed outlook is the hope of progress. It is by stimulating a desire for the finer things of life that the standard of comfort can be permanently raised. This should be sufficiently obvious, but we may quote in support of it Engel's Law of Expenditure, which consists of three propositions:—

(a) That the greater the income, the smaller the percentage of outlay for subsistence.

¹ *First Annual Report of Factory Inspectors of Illinois, 1893.*

(b) The percentage of outlay for clothes, rent, fuel, etc., is the same whatever the income.

(c) That as the income increases in amount, the outlay for sundries, i.e. education, literature, art, travel, and amusement, etc., increases.

If this law holds good—and the compilers of one of the Reports of the Massachusetts Labour Bureau say, concerning their investigations as to its validity, that—

"the figures given should be taken as the very best results of that (Engel's) law, sustained by a wide range of data from three great countries,"

—it follows (1) that if wages are low they will be entirely expended in satisfying physical wants; (2) that only as domestic, social, and æsthetic wants are increased will the standard of living rise.¹

Now, it is certain that sending a boy or girl into a factory at the age of eleven does not tend to foster desires for more domestic, social, or æsthetic enjoyment. The argument for keeping a child in school right up to the present limits of

¹ The following table, given by Gunton (*Wealth and Progress*), also goes to substantiate the above contention. In Russia the labourer works 180 days out of 300 for food alone, whilst in Great Britain and the United States, the earnings of 154 days are spent in clothes and sundries.

Country.	Weekly Wages.	Days per year worked in obtaining			Total Working Days per Year.
		Food.	Clothes, Rent, and Sundries.	Taxes.	
U.S. America	10·80	113	154	33	300
Great Britain	7·44	114	154	32	"
France	5·04	120	135	45	"
Germany	3·84	155	107	38	"
Italy	3·60	162	78	60	"
Belgium	4·80	133	134	33	"
Russia	3·60	180	83	37	"
Austria	3·84	159	107	34	"
Spain	3·84	164	80	56	"
Scandinavia	3·60	147	123	30	"

Table compiled from Mulhall's *History of Prices* except those of U.S.A., which are from the *Massachusetts Labour Bureau Report*, 1884.

See also Marshall, *Principles of Economics*, p. 191.

school age is, not only that instruction may be more thorough and the curriculum wider, but that the child may be kept longer in the civilizing atmosphere of the school. Of the two objects, the latter is the more important. But from the moment a child enters a factory, the influence of the factory predominates. The boy or girl is no longer a school boy or a school girl, but a factory boy or a factory girl.¹ A competent witness said before the Labour Commission that, if he entered a strange school, he would guarantee to pick out the half-timers, judging merely by their appearance. They had lost the air of school children.

Moreover, the local bye-law standards for partial or total exemption are often fixed so ridiculously low, that, before a child can commence work as a half-timer, he has passed, or can pass, the standard for total exemption. The standards are in many places fixed respectively at Standard II.² and Standard IV. Now, an average child can pass Standard II. at eight years old, and Standard IV. at ten. Consequently the half-timer of eleven years has usually already passed the standard for total exemption, or can do so if required; and on coming to school in the afternoon, having spent five hours in a mill, his only stimulus is the interest his teacher can arouse. The atmosphere of the mill does not foster the love of learning; his parents know that he has, or can obtain his labour certificate; and, under such circumstances, a teacher, even if an enthusiast, will have a sufficiently difficult task with a class of average half-timers.

It is just when a child becomes a half-timer that education becomes most valuable as a civilizing influence. In the last two or three years of elementary school life a child becomes most amenable to the refining influence of his surroundings. The teaching of cleanliness, good habits, and self-respect can be emphasized. Elementary education should do more than provide a child with the tools of learning. As it is the only

¹ See "Factory Half-timer," by T. P. Sykes, *Fortnightly Review*, Dec., 1889. Also evidence of R. Waddington and others before Labour Commission (Group C.).

² Passing Standard II. means that a child can read a short paragraph, words as a rule not more than two syllables, can write six lines of dictation from his reading book without making more than three or four mistakes, and can do addition, subtraction, multiplication (multiples less than 1000), and division (divisor 12 or less).

education which the great majority of our race can, for the present, hope to have, it should be complete in itself. It should be, and in the great majority of instances is, an *education*; and as such it fights against the influence of the too often mean surroundings of the children of the working classes. No one is more painfully aware than the writer that the influences of the street, the factory, and often the home, prevail; but surely that is a reason for maintaining a full school life at least to the present limit of school age.

III. I trust to have shown that child labour (1) does not in the long run add directly to total family earnings, (2) impairs the efficiency of future adult labour, and (3) is opposed to a tendency to a rise in the standard of comfort. The effect of restrictions placed upon child labour, upon competition between the different businesses carried on in the same industry, should now be considered.

In the first place, such restrictions would have no effect on home competition, since the law would affect all firms alike. With regard to foreign competition, a child may enter a mill in England at an earlier age than in any of the chief manufacturing countries in the world. The ages at which a child may enter a factory are as follows: England at 11 years; Belgium, 12; Holland, 12; Russia, 12; France, 13; Germany, 13 (not usual till 14); Austria, 14; and Switzerland, 14. In none of the great manufacturing States of America can children be employed under the age of 12, and the more usual limit is 13 or 14. But the evidence before the Labour Commission showed that at all events in the textile trades home competition was keenest. It was home competition and not foreign competition which prevented a rise of wages.¹

The only form of "foreign competition" argument which has, *prima facie*, any validity seems to be that advanced by a witness before the Labour Commission. He argued that it was the superior ability of the English textile operative which defied foreign competition, and that unless the children entered the

¹ See evidence of Mr. D. Holmes and others. *Minutes of Evidence* given before Labour Commission (Group C.).

mill early, the delicacy of touch and dexterity of manipulation which constituted this superiority would be lost. Consequently he looked with apprehension upon the raising of the age for half-timers from ten to eleven after January 1, 1893, and would consider any further raising of the age limit a disaster.

This argument has, however, been used both when the age limit was raised to ten years and to eleven, and no great falling-off in skill seems yet apparent. The mill-owners, who should be concerned in seeing that the high standard of skill of the operatives is maintained, do not seem to be very apprehensive. In many of the best mills no half-timers are employed. Many mill-owners have ceased to employ half-timers because the employer is made responsible for the school attendance of the child, and because of the responsibility of supervision in the mill. Mr. William Noble, mill-owner, said, before the Labour Commission,—

“that he was favourable to the raising of the age for half-time labour to twelve. It was not of importance to the manufacturer whether the age limit was raised or not.”

It surely would be of importance if, in the words of the *précis* of the evidence of the various trade union officials of the textile operatives—

“it was best for them (the children) to enter the mills at ten years of age, after passing the third standard at school, becoming, at thirteen, after passing the fourth or fifth standards, full-timers. . . . Early training was absolutely necessary if skill was to be obtained.”¹

Mr. Wilson, president of the Bradford and District Power Loom Overlookers' Society, was in favour of gradually raising the age of half-timers to thirteen years, so that he hardly contemplated any necessity for exceedingly early training. Mr. Waddington affirmed, and in this he was supported by others, that children of eleven or twelve got employment more readily, before the age limit was raised, than those just over ten. And, lastly, it would be interesting to know the exact difference in capability of

¹ I quote the *précis* for brevity. The evidence, as recorded in the Minutes, bears out its accuracy.

acquiring dexterity between a child entering the mill as a half-timer at eleven and a child who spends a year or two longer in a school in which education includes the training of hand and eye, as well as intellect.

The advocacy of "early training" comes almost entirely from the spinners and weavers, or their representatives. Working under a piecework system, the operatives pay their own piecers and tenters. Mr. Waddington said, before the Labour Commission,—

"They (the spinners) have to employ a 'piecer' and a 'little piecer.' The work that the little piecer does can be done by a full-timer or two half-timers. If he (the spinner) employs two half-timers at three and sixpence or four shillings a-week it costs him about eight shillings. If he employs a full-timer he has to pay him nine and sixpence or ten shillings."

This was corroborated by other witnesses, and I have since made inquiries the results of which confirm it. The operative, therefore, has a double inducement to take no heed of the injunction—*finem respice*. As a father the half-time system allows him the supposed advantage of enabling his children to earn wages very early; and as an employer of labour he is able to make a few shillings more a week than he would by employing full-time labour.

The "early training" argument may be dismissed by noting that, even if it were beneficial, the early training of the piecer is largely wasted. Mr. Mawdsley (Amalgamated Society of Operative Cotton Spinners) admitted, on examination by Mr. Tom Mann, before the Labour Commission, that of three piecers in the trade only one becomes a spinner, the others drift off without a trade before the age of manhood is reached, into hawking, labouring, portering, etc.

"The good men do pretty well, though some degenerate." The fact being that, after this long and "necessary" training, they go to swell the supply of unskilled labour.

It may be affirmed, then, that the raising of the age limit for half-timers at once to twelve, and eventually to thirteen, would merely place England, in this respect, on a level with other

civilized countries, and that such a rise would not in any way endanger English supremacy in textile manufactures.

That half-time labour chiefly obtains in the textile industries will be apparent from the subjoined figures. There are altogether 119,747 children employed as half-timers in England and Wales. Of these, 76,675 are employed within the limits of administrative counties, and 43,072 in county boroughs.

Administrative Counties: Lancaster, 39,975; Yorks (West Riding), 19,964; Chester, 5274; Stafford, 2162; Derby, 2036; Northampton, 1872; Leicester, 1017. Other counties less than 1000.

County Boroughs: Blackburn, 5746; Bolton, 3647; Bradford, 6887; Burnley, 4466; Bury, 1537; Halifax, 4086; Leicester, 1489; Nottingham, 1005; Oldham, 3622; Preston, 3025; Rochdale, 2419; Stockport, 1915. Other county boroughs less than 1000.

In Wales there are only 54 half-timers, and in the County of London 953.

IV. Granting that child labour is injurious, and that, in particular, the half-time system is an obnoxious survival of obsolete industrial method, the question arises as to what definite changes are desirable. The suggestions I would make are three in number:—

(1) There should be some attempt to remove the anomalies which exist in the provisions of the law concerning child labour in England.

(2) Some approximation to uniformity in the standard of attainment required for the certificate for half-time or for full-time exemption from school attendance in different districts should be secured.

(3) The age limit for half-time labour should be at the earliest possible moment raised to twelve years, after a short interval to thirteen, and should be as soon as possible abolished.

In a discussion of the child labour question, which is confined mainly to the half-time system, it would be out of place to consider at length the numerous and perplexing anomalies to be found in the six different sets of legal regulations which govern

the employment of children. An instance or two must suffice. As will be seen below, the standard which a child must pass before being allowed to obtain either half-time or full-time employment varies according to the bye-law of the local authority in the jurisdiction of which he resides. Where the half-time standard is below Standard IV., a very anomalous result occurs. A child *under* thirteen may become qualified for *any* half-time employment on passing Standard II. or III., but when he reaches the age of thirteen he can no longer be employed (excepting as a half-timer in a factory or workshop) unless he has passed Standard IV. Again, though the full-time employment of children under thirteen is forbidden in factories and workshops under the Factory Act, it is allowed in all other places by the Education Act provided that the child is eleven years of age, and has passed the local bye-law standard of exemption. It is also to be noted that, in those industries which do not come under the Factory Act or the Mines Regulation Act, the only restriction placed upon the hours of labour for children is that work is prohibited between the hours of 11 p.m. and 5 a.m. In factories and workshops the number of hours constituting half-time employment is strictly defined by statute; it is also defined as regards the employment of children between twelve and thirteen *above* ground in connection with coal mines; but elsewhere there is no definition of half-time employment, and no restriction as to the number of hours beyond what is implied in half-time attendance at school. A final anomaly (though the list is far from complete) is that while in the Factory Act the provision of half-time education is an essential condition of all half-time employment, the Mines Regulation Acts contain no provisions as to the education of children whose employment is allowed. It is almost superfluous to say that these anomalies render the administration of the law exceedingly difficult. A perusal of a few only of the Reports of the Chief Inspector of Factories would show that the employers themselves are ignorant, or pretend to be ignorant, of the regulations under which children may work, whilst, in the majority of cases, any attempt to explain those

regulations to the parents of working children is foredoomed to failure.

Before becoming wholly or partially exempt from school attendance a child has to pass a standard fixed in the bye-law of the local school attendance authority. These standards present a most extraordinary diversity. The latest available return showing these standards is dated 1890. The following was the state of things then :—

Standard for full-time exemption	No standard	I.	II.	III.	IV.	V.	VI.
Number of authorities	40	—	—	7	9028	4266	80
Standard for half-time exemption	No standard	I.	II.	III.	IV.	V.	VI.
Number of authorities	1380	26	1290	8551	2147	21	6

The standards have, of course, altered somewhat during the last eight years. Some authorities, for instance, including the School Board for London, have fixed Standard VII. for full-time exemption ; but the diversity, especially of the standards for half-time exemption, remains the same. The standards for full-time exemption still range from the third to the seventh, and the standards for half-time exemption from the first to the sixth. The effects of this mischievous diversity are obvious. The following is from the Report of the Chief Inspector of Factories, 1880 :—

“ I will quote one instance. In a worsted spinning mill at Stanningley, where about 160 half-timers are employed, some of the children attend Leeds Board Schools and some Pudsey Board Schools, Stanningley being situated in the two parishes. In the former district the standard required to be attained before employment is allowed is Standard IV., and in the latter Standard II.; so that children working in the same mill side by side are under different and unequal restrictions as to employment.”

The result, as the writer found out last year, is what might have been expected—those children who wish to work half-time have left the Leeds Board Schools and have gone to those under the Pudsey Board. The difference between the standards of exemption remains the same. In some of the

thickly populated districts of Lancashire, in three adjoining parishes, there are three different standards for partial exemption, the result being that the children living on one side of a street may have to pass one standard before becoming half-timers, and those living on the opposite side another. A state of affairs which allows of such conditions is, surely, not only extraordinary, but ridiculous. As far as can be seen, no hardship would ensue if the standards of exemption were determined, not by the local authorities, but by the Education Department or by a School Attendance Act, similar to that which, coming into force in 1894, raised the minimum age of half-timers from ten to eleven years.

The last suggested change, that the minimum age for half-time labour should be raised from eleven to twelve years, in accordance with the engagement entered into by this country eight years ago, is one to which the only obstacle is the public opinion of those engaged in the textile trades. Every rise in the minimum age has hitherto been accomplished in the face of that opinion, and educational legislation is usually in advance of public opinion. The raising of the age in 1894 to eleven years has resulted in a reduction in the number of half-timers from 172,000, in 1893, to 119,000, in 1897, and by raising the minimum another year a similar reduction will be effected. This is a result which all those who wish to see children retain their childhood, and whose faith is in the progressive force of education, must ardently desire.

F. H. SPENCER.

ON THE DEPRECIATION OF ASSIGNATS.

THE history of the issue of assignats during the French Revolution is the stock example, in works on political economy, of the depreciation of an inconvertible currency through excess of issue. And the reasons which have led to this selection are plain. All the conditions were unusually favourable for economic observation. The experiment was tried on a very large scale, in a country of ancient civilization and great wealth. It extended over a long period of time, and was carried out with steady persistency. The amounts of the issues were, for the most part, carefully recorded. The ever-diminishing value of the currency was watched by the whole nation with an anxiety which the fear of bankruptcy and famine could alone inspire: and the fearful evils which accompanied the depreciation were indelibly impressed on the minds of all who witnessed them. It will, therefore, be interesting to examine, somewhat more closely than is usual, the progress of the depreciation, and to compare it with the results which the modern theory of the value of money teaches us to expect in such a case. If the facts are found to correspond with theory, our confidence in the value of abstract reasoning on these subjects will be confirmed. If they differ, we may at least learn a useful lesson with regard to the limitations of the *a priori* method in political economy.

A detailed examination of the facts is especially desirable because the subject, despite its importance, has, for the most part, been very summarily treated by the majority of historians and economists. The dates and amounts of the first three or four issues of assignats, and the final aggregate of forty-five milliards, are given by nearly all writers on the subject. But the student who desires to know accurately how much paper was

in circulation at any given moment, and what was the corresponding value of the livre, finds no little difficulty in unearthing even the *data* for his investigations.

The *assignat* was the inconvertible note issued by the Revolutionary Government of France in 1790. For many years previously the national expenditure had exceeded the revenue. In 1783 the deficit was £4,000,000; in 1786, £4,800,000; in 1787, £5,000,000; in 1788, £6,486,000. The waste of previous reigns, and the refusal of parliaments to vote further taxes, had reduced the Exchequer to a bankrupt state in 1789. But, bad as affairs were under the monarchy, they became ten times worse on the outbreak of the Revolution. Property was everywhere confiscated, and privileges abolished. All rights were violated, and all confidence destroyed. The taxes were unpaid, and the whole administrative machinery of government came to a standstill. In this situation the new Government found themselves compelled to resort to an issue of paper in order to pay the army and civil service, and to provide for the daily expenses of the administration. But, conscious of the dangers which attend the issue of inconvertible paper, of which the country had had bitter experience at the time of Law's Mississippi scheme (1720), they sought to secure the notes against depreciation by pledging for their redemption the domains of the Church, which had been confiscated. These domains might be purchased by holders of assignats.

The face value of the assignats ranged from fractions of a livre to ten thousand livres.¹ The promise to pay, and the reference to the security, which it bore on its face, were not always in the same form. The following are examples of a few of the forms, now in the British Museum:—

(1) “*Assignat de la création du 19 Juin, 1791.*
Domaines Nationaux.

*Hypothéqués au remboursement des assignats par le décret de
l'Assemblée Nationale des 16 et 17 Avril, 1790, sanctionnée par
le Roi.*

¹ Mr. A. D. White mentions notes for one sou. Examples of the issues of ten and fifteen sous are to be found in the British Museum.

Assignat de cent livres.

Il sera payé au Porteur la somme de cent livres à la caisse de l'extraordinaire, conformément aux décrets des 16 et 17 Sep., 1790, et Juin, 1791."

(2)

"République Française.

**Assignat de cinquante livres,
de la création du 14 Dec. 1792.
Domaines Nationaux."**

(3) "Loi du 23 Mai,
1793.**Quinze sols.****L'an II. de la
République.****Domaines Nationaux.**

**Assignat
de quinze sols
payable au porteur.**

Buttin.**Serie****15^e****1342.****La loi punit de mort
le contrefacteur.****La nation récompense
le dénonciateur."**

Thus, in some cases, the assignat purported to be convertible into coin on demand. But it was not so in reality. During the six years of the Revolution the amount issued continually increased, until it had reached 45 milliards, or £1,800,000,000 sterling, and the paper had become almost worthless. In 1796 the assignats were exchanged for another species of note, called a *mandat*, at the rate of thirty francs in assignats for one in mandats. In a few months the new currency shared the fate of its predecessor, and soon passed out of circulation altogether, by being exchanged for national lands, or returned to the Treasury in payment of taxes. By the law of the 23rd of April, 1797, both assignats and mandats were finally demonetized, or, in other words, repudiated by the bankrupt Government.

The statistics of the amounts issued, retired, and remaining in circulation, given in the accompanying table (pp. 489-492), are drawn, for the most part, from a treatise entitled *Des Finances de la République Française en l'an IX.*, by Ramel de Nogaret.

Ramel played a distinguished part in the political life of the Revolution. He sat in the Assemblée Constituante, the Convention Nationale, and the Corps Législatif. He was Minister of Finance from February, 1796, to August, 1799, and was selected to draw up a report on the state of the finances presented in 1793, and on the means of retiring the assignats in 1795. His opportunities, therefore, of knowing the facts must have been unrivalled. The figures which he gives, from May, 1794, are copied from the registers of the Treasury, and may be relied upon as accurate; but he seems to have been unable to procure detailed statistics of the issues previous to that date. Such figures as I have been able to collect for the early period are taken from the scattered notices of historians, and the reports presented to the Chamber by various committees of finance. But there is a gap between July, 1793, and April, 1794, which greatly detracts from their completeness.

The statistics of the price of assignats in silver, shown in the table, are also drawn from an official source. The termination of the epoch of paper money was followed, as might have been expected, by a period of complete monetary anarchy. Bargains concluded during the currency of the assignat had to be fulfilled in metallic money, and no rule existed for the conversion of paper into coin. In order to regulate this matter, a law was passed on the 23rd of June, 1797, under which all transactions between private persons made during the depreciation of the paper money were to be converted at the rates given in the schedule thereto annexed. The schedule was prepared with the greatest possible care from private notes, the records of purchases of coin by the Treasury, the prices fixed by a committee of bankers appointed for this purpose by the Committee of Public Safety, and similar sources. These figures are given in column 5.

There are several other trustworthy records of the value of assignats. From April, 1794, the figures are given by Ramel; and a contemporary pamphlet, by Antoine Bailleul,¹ gives the

¹ *Tableau Complet de la Valeur des Assignats des Reccriptions et des Mandats, jour par jour depuis leur Emission.* [Paris, 1796.]

course of exchange for the whole period from 1789 to 1796. The agreement between these authorities is as close as can be expected, taking into consideration the nature of the times and the fluctuations of the market. The official figures certainly do not err by estimating the value of the assignats too highly.

The first column of the table requires little explanation. The first issue of assignats did not take place till April, 1790. The prices quoted previous to that date are those of the notes of the Caisse d'Escompte, which had been declared by the Government to be Caisse Nationale, thus converting their issues into a forced currency of Government paper.

The second column shows the amount of the issues of assignats, and distinguishes, in the early years, between amounts decreed and amounts issued. The figures are incomplete, but the dates of the decree are valuable, as we shall see later, in enabling us to determine the rapidity of the fall in value of the paper, since the date of decree is by no means identical with the date of issue.

The third column shows the amounts retired by Government. These sums must have been principally received in payment for the domains of the clergy, as the amounts received in payment of taxes were re-issued by Government, and are not included in the subsequent figures of issue. Ramel estimates their amount at three milliards,¹ which would bring the gross issues to forty-eight milliards.

The fourth column gives the amounts remaining in circulation. These, therefore, are the vital figures of the table. But they must be read subject to an important correction. The emissions are reckoned from the date of their departure from the Treasury, and include the period when the notes were on their way to the place of issue. Similarly, the retirements are calculated from the date of return to the Treasury, though the annulled assignats had for some time previous been in the *caisses* of the departments. Consequently the actual amount of the paper

¹ A milliard is a thousand million francs, and is equivalent to £40,000,000 sterling.

in circulation never rose as high as the statement shows. Ramel thinks that when, in March, 1796, the figures show the maximum issue of 37,147,000,000 liv., the real circulation did not exceed 30,000,000,000 liv. If the estimate is correct, a deduction of 19 per cent. should be made on this account from the figures in column 4. Adding 6·6 per cent. on account of the re-issues mentioned above, we have to make a net deduction of 12·4 per cent., in order to obtain the true circulation.

Column 5 shows the price in silver of 100 livres in assignats, and column 7, its reciprocal, the number of paper livres purchasable for one livre in silver. Decimals have only been carried as far as the eye can easily follow them. Column 6 is intended to give the ratio of the actual circulation to the normal amount of the currency (including bills of exchange, etc.), previous to the Revolution. Any estimate of this sort must, of course, be open to criticism. But, fortunately, we are here assisted by Ramel himself. In his report to the National Convention on the 23rd of April, 1793, he states that—

"the *numéraire* of France was valued at 2,400,000,000 frs., and that this is not enough is shown by the fact that commerce has added to it 600,000,000 liv. in bills of exchange."

We do not know upon what facts this estimate was founded, but it seems to correspond fairly with the results given by a comparison with the currency at the present day. With a population of 38,300,000 the stock of money in France in 1894, including gold, silver, and uncovered paper, is estimated in the report of the United States mint for that year at \$36·70 per head. In 1789 the population was about 25,000,000, and the stock of money proportional to this number at the modern rate would be 4,800,000,000 frs. This is exactly double the amount of the metallic currency given by Ramel. But it is not probable that the French used as much metallic money per head in 1789 as they do now. The increase of wealth during the last century has been enormous, and if we take half of this figure, or 2,400,000,000 frs., we shall probably not be making too large

a deduction. The statistics of the production of the precious metals bear out this view roughly. The stock of gold existing in the world in 1789 was about one quarter, and the stock of silver about one half, of the amounts now existing; and it seems fair to assume that the stock possessed by a particular country should have increased in about the same proportion. We shall not be far wrong, therefore, in adopting Ramel's estimate of 2,400,000,000 frs. as the amount of the metallic circulating medium in France at the time when assignats began to be issued. The addition of 600,000,000 fra. in bills of exchange brings the total medium of exchange to three milliards. As this estimate is the basis of the calculations here given, showing the ratio of the actual circulation to the normal, it is, however, only fair to observe that any error in it necessitates a corresponding correction in the figures in column 6, and a modification of the inferences based on them.

In estimating the total amount of the circulating medium during the currency of the assignats, the question arises whether the normal amount of the circulation should be added to the total issues of assignats or not. But it appears to be more correct not to do so. For it has been remarked by all historians that, on the introduction of inconvertible paper, specie rapidly disappeared from circulation. It will, therefore, only be in accordance with Gresham's law to suppose that, till the amount in circulation exceeded three milliards, the issues did no more than take the place of the good money which their presence drove into concealment. If, however, the addition is made, the figures in column 6 must each be increased by one. It will be observed that, for want of details, the column is blank from July, 1793, to May 7, 1794.

The figures here given, dry though they be, are interesting at the present day on account of the light which they throw on the causes of the depreciation of inconvertible paper, and, generally, on the theory of money.

The value of money, metallic or paper, is believed by most modern economists to depend, almost solely, on demand and supply; or, as Professor F. A. Walker expresses it, on the

TABLE

SHOWING AMOUNT OF ASSIGNATS DECRED (WHERE KNOWN) EMITTED, RETIRED, AND REMAINING IN CIRCULATION, THEIR VALUE IN SILVER, AND THEIR AMOUNT COMPARED WITH THE PREVIOUS NORMAL CIRCULATING MEDIUM OF FRANCE.

Date.	Issues.		Retired.	Remaining in circulation.	Average price in silver of 100 livres in assignats.	No. of times circulation exceeded normal.	No. paper livres purchasable by one silver.	Contemporary Events.
	Decreed.	Total emitted.						
1789.	Mils. of livres.	Mils. of livres.	Mils. of livres.	Mils. of livres.				
Month of Aug.	—	—	—	—	98	—	1·02	
Sept.	—	—	—	—	98	—	1·02	
Oct.	—	—	—	—	97	—	1·03	
Nov.	—	—	—	—	96	—	1·04	
Dec.	—	—	—	—	95	—	1·05	
1790.								
Jan.	—	—	—	—	96	—	1·04	
Feb.	—	—	—	—	95	—	1·05	
March	—	—	—	—	94	—	1·07	
April	400 ¹	400	—	400	94	—	1·07	
May	—	—	—	—	94	—	1·07	
June	—	—	—	—	95	—	1·05	
July	—	—	—	—	95	—	1·05	
Aug.	—	—	—	—	92	—	1·10	
Sept.	800 ²	—	—	—	91	—	1·10	Revolt at Nancy. Retirement of Necker, Sept. 4, 1790.
Oct.	—	—	—	—	91	—	1·10	
Nov.	—	—	—	—	90	—	1·10	
Dec.	—	—	—	—	92	—	1·10	
1791.								
Jan.	—	—	—	—	91	—	1·10	
Feb.	—	—	—	—	91	—	1·10	
March	—	—	—	—	90	—	1·10	
April	—	—	—	—	89	—	1·10	Death of Mirabeau, April 2, 1791.
May	—	—	—	—	85	—	1·20	
June	600 ³	1112	200	912	85	—	1·20	Flight to Varennes, June 20, 1791.
July	—	—	—	—	87	—	1·15	Impulse to trade with England.
Aug.	—	—	—	—	79	—	1·30	
Sept.	—	1451	300	1151	82	—	1·20	Legislative assembly begins, Sept. 14, 1791.

¹ April 16, 1790.² Sept. 25, 1790.³ June 19, 1791.

TABLE—continued.

1.	2.	3.	4.	5.	6.	7.		
Date.	ISSUES.		Retired.	Remaining in circulation.	Average price in silver of 100 livres in assignats.	No. of times circulation exceeded normal.	No. paper livres purchasable by one livre silver.	Contemporary events.
	Decreed.	Total emitted.	Mila. of livres.	Mila. of livres.	Mila. of livres.			
1791. Month of Oct.	—	—	—	—	84	—	1·20	Massacres at Avignon, Oct. 30, 1791.
Nov.	—	—	—	—	82	—	1·20	
Dec.	300 ¹	—	—	—	77	—	1·30	
1792.								
Jan.	—	—	—	—	72	—	1·40	All property of the émigrés sequestrated (Feb. 9).
Feb.	—	—	—	—	61	—	1·60	
March	—	—	—	—	59	—	1·70	
April	300 ²	—	—	—	68	—	1·40	Decree that assignats pass at their face value, April 8. War with Austria de- clared, April 20.
May	—	—	—	—	58	—	1·70	
June	—	—	—	—	57	—	1·70	
July	—	—	—	—	61	—	1·60	Country declared in danger, July 8.
Aug.	—	—	—	—	61	—	1·60	Dethronement of the king, Aug. 10.
Sept.	300 ³	2589 ⁴	617 ⁴	1972 ⁴	72	—	1·40	Valmy, Sept. 20. Mas- sacres of Sept. 20. Na- tional convention begins.
Oct.	400	—	—	—	71	—	1·40	
Nov.	—	—	—	—	73	—	1·40	Jemappes, Nov. 6, 1792.
Dec. 1793.	—	3625 ⁵	800 ⁶	2825 ⁵	72	—	1·40	
Jan.	—	—	—	—	51	—	2·0	Execution of the king, Jan. 21, 1793.
Feb.	800 ⁶	—	—	—	52	—	1·90	War declared against England, Feb. 3, 1793.
March	—	—	—	—	51	—	2·0	War in La Vendée, March 10, 1793.
April	—	3900 ⁷	925 ⁷	2975 ⁷	43	—	2·30	Maximum price of bread fixed (April 5); sale of metallic money forbidden (April 16).
May	—	—	—	—	52	—	1·90	Maximum price of all grains fixed (May 2).

¹ Dec. 17, 1791.⁴ Sept. 22, 1792.² April 27, 1792.⁵ Dec. 1, 1792.⁷ April 23, 1793.³ Sept. 1, 1793.⁶ Feb. 2, 1793.

TABLE—*continued.*

1.	2.	3.	4.	5.	6.	7.		
Date.	ISSUES.		Retired.	Remaining in circulation.	Average price in silver of 100 livres in assignats.	No. of times circulation exceeded normal.	No. paper livres purchasable by one silver.	Contemporary events.
	Decreed.	Total emitted.						
1793. Month of June	Mills. of livres.	Mills. of livres.	Mills. of livres.	Mills. of livres.	36	—	2·80	Forced loan of 1000 millions decreed, June 2.
July	—	5100 ¹	1783 ¹	3217 ¹	23	1·1	4·30	Demonetization of assignats bearing the royal image, July 31 (558,000,000 frs.).
Aug.	—	—	—	—	22	—	4·50	Punishment for hoarding necessaries increased.
Sept.	—	—	—	—	27	—	3·70	All prices minutely fixed; forced loans, forced sales. Refusal of assignats made punishable with death (Sept. 5).
Oct.	—	—	—	—	28	—	3·60	Fall of Girondins (Oct. 19).
Nov.	—	—	—	—	33	—	3·0	
Dec.	—	—	—	—	48	—	2·10	REIGN OF TERROR.
1794.	—	—	—	—				
Jan.	—	—	—	—	40	—	2·50	
Feb.	—	—	—	—	41	—	2·40	
March	—	—	—	—	36	—	2·80	
An. II.	—	—	—	—				
Germ.	—	—	—	—	36	—	2·80	
Flor.	—	7961 ²	2069 ²	5891 ²	34	1·9	2·90	
Prair.	—	8026 ²	2121 ²	5905 ²	30	2·0	3·30	
Mess.	—	8236	2181	6054	34	2·0	2·90	
Therm.	—	8471	2253	6217	31	2·1	3·20	
Fruct.	—	8704	2306	6397	28	2·1	3·60	
An. III.	—	—	—	—				
Vend.	—	8931	2358	6573	28	2·2	3·60	Maximum augmented by $\frac{1}{3}$, and subsequently abolished.
Bru.	—	9157	2436	6721	24	2·2	4·20	
Fri.	—	9424	2461	6962	20	2·3	5·0	
Niv.	—	9654	2500	7154	18	2·3	5·60	State undertakes to pay debts of émigrés (1800 millions) and to restore certain confiscations (3200 millions). (Jan. 1795).

¹ July 31 (*Rapport sur la Dette*, Cambon).² Flor. 16.³ From Prairial, the columns 3, 4, 5 are for the first of the month. Column 6 gives average price for the whole month.

TABLE—continued.

1.	2.	3.	4.	5.	6.	7.	
Date.	Decreed.	Issue.	Retired.	Remaining in circulation.	Average price in silver of 100 livres in assignats.	No. of times circulation exceeded normal.	No. paper livres purchasable by one livre silver.
	Mills. of livres.	Mills. of livres.	Mills. of livres.	Mills. of livres.			
1795.							
Month of Pluv.	—	9900	2550	7349	17	2·4	5·90
Vent.	—	10296	2593	7702	14	2·6	7·10
Germ.	—	10787	2638	8148	12	2·7	8·30
Flor.	—	11582	2678	8903	10	3·0	10
Prair.	—	12780	2725	10055	6	3·3	16
Mess.	—	14152	2771	11374	l. s. d. ¹	3·7	37
Therm.	—	16716	2893	13822	2 14 0	4·8	31
Fruct. An. IV.	—	18468	2998	15469	2 15 0	5·1	37
Vend.	—	20393	3122	17271	2 0 0	5·7	50
Bru.	—	22801	3339	19462	1 8 6	6·4	70
Fri.	—	25939	3583	22356	0 14 2	7·4	141
Niv.	—	29254	5581	23672	0 8 8	7·8	230
1796.							
Pluv.	—	38752	5750	33051	0 8 9	11·0	228
Vent.	—	41094	5800	35294	0 6 11	11·7	292
Germ.	—	43912	6764	37147	0 8 0 ²	12·3	250 ²
Flor.	—	45184	8426	36758	0 8 0 ²	12·2	250 ²
Prair.	—	45553	9752	35800	0 4 6 ²	11·9	444 ²
21 "	—	—	—	—	0 3 6 ²	—	571 ²

¹ The letters *l. s. d.* stand for *livres, sous, and deniers* respectively.² From Ramel.

relation between the money-work and the money-thing. If the work to be performed by money (the number of exchanges) increases, then, other things being equal, its value will rise; if the supply of money available to do this work increases, its value will fall. It is, says Mill, the most elementary proposition in the theory of currency, that an increase of the quantity of money raises prices, and a diminution lowers them. Nor is this proposition merely qualitative. The amount of the fall in value is held to be strictly proportional to the increase in its quantity. "If the whole money in circulation was doubled, prices would be doubled. If it was only increased one-fourth, prices would rise one-fourth."¹ Mill is here speaking of a hypothetical society, in which credit in any shape is unknown, and all purchases are made with metallic money. And, in applying his conclusions to a modern community, due allowance must be made, in his opinion, for the numerous qualifications which a complex system of credit renders necessary. But, as it happens, the condition of affairs in France at the time of the Revolution was singularly like that of the typical hypothetical community. The development of the banking system in France took place late. The Bank of France itself was not founded till 1800, and the use of the various modern expedients for economizing currency must have been comparatively small, even before 1789.² The outbreak of the Revolution must have further diminished, almost to vanishing-point, the mass of credit transactions. And thus the country found itself suddenly forced to rely solely on its circulating medium for the performance of all the exchanges which its complex society demanded.

If, then, the relation between the mass of the currency and the work it is "called upon to do" is really the dominant factor

¹ Mill, *Political Economy*, bk. iii., ch. viii., § 2.

² The principal bank before the Revolution was the Caisse d'Escompte, founded in 1776 by Turgot, as a bank of discount, deposit, and issue. It had no nominal connection with the Royal Treasury. The extent of its transactions may be judged from the fact that in 1783 it lent the Government 6,000,000 liv., and in 1787, 70,000,000. On the 19th of August, 1788, Government suspended its cash payments, apparently without consulting the bank, and its notes practically became inconvertible paper. On the 30th of August, 1788, its circulation, which was much above the limit of safety, amounted to 64,000,000 liv. (*Histoire de Deux Amis*, iv. 116).

in determining the value of money,—if the quantity theory is worth anything at all, it ought to be able to explain the fluctuations in the value of the assignat with a rough approximation to accuracy. If it fails to do so, we are entitled to ask what is the value of a theory as a guide to the future which cannot be made to harmonize, under the most favourable circumstances, with the events of the past.

Now, a study of the table brings out the fact that the quantity theory of money given above is wholly inadequate to explain the fluctuations in the value of the currency which took place between 1789–96, especially during the last two years of that period. At first sight this appears a paradox. The facts, when roughly stated, seem to conform to that theory; for, concurrently with an enormous increase of paper, we find an enormous fall in its value, and it is natural to suppose that a causal connection exists between the two phenomena. But examined more closely, the facts do not accommodate themselves to this easy explanation. The broad result which emerges from the statistics is that, during the currency of the assignats, the circulation increased only to twelve times its ordinary bulk;¹ while the value of the livre diminished to $\frac{1}{25}$, and eventually to as little as $\frac{1}{571}$ of its face value. Not only is this fact not explained by the quantity theory, but that theory lays it down that such a result is impossible.

“General prices,” says Professor Walker, “are not altered except as the result of an actual alteration of supply, either in the way of increase or of decrease. Potential alteration is not sufficient, for prices are nothing but an expression of the terms at which commodities are actually exchanged for money; and if there are no more and no fewer commodities to be exchanged, they cannot be exchanged at prices higher or lower unless there be more or less money. Otherwise either some of the commodities would fail to be exchanged, which would bring down prices, or else some of the money would fail to find employment, which would send prices up.”²

There are, therefore, only two ways by which the rise can

¹ If allowance be made for the corrections indicated above, the real amount would be eleven times the normal.

² *Money, Trade, and Industry*, p. 54.

be accounted for, in accordance with the quantity theory. The first is by supposing that the rapidity of circulation increased so largely as to allow the rise in prices to take place. But this is obviously absurd. The effect of the Revolution, the most tremendous cataclysm of society, social and political, which Europe has ever known, must have been to paralyze, rather than to quicken, the movement of the circulation, and could not by any possibility have made it twenty times more effective, as theory demands. The second is the opposite supposition, that the work which money had to perform was so diminished by the paralysis of trade and credit caused by the Revolution, that the amount became excessive in relation to the exchanges it was called upon to perform. But this explanation is almost equally improbable. It may be freely admitted that the internal trade of France must have declined largely during the Revolution, while its foreign trade was almost annihilated after the declaration of hostilities with Prussia and Austria in 1792, and with England in 1793. But the foreign trade of France probably did not at that time exceed five or ten millions sterling,¹ and must, in any case, have been carried on chiefly by means of bills of exchange. And, on the other hand, it is stated by Von Sybel that, in the early years of the Revolution, the low silver prices prevailing in France stimulated trade with foreign countries at first. The internal commerce must, no doubt, have suffered severely; but it is impossible to believe that it could have shrunk to the twentieth part of its former volume. Even during a revolution men must live; and food, clothes, and shelter must be bought and paid for. By far the greatest part of a nation's expenditure consists in the purchase of necessaries by the masses. But in a civilized country expenditure is not confined to absolute necessities alone: for the luxuries of the individual are necessities of life to a community. The theatres remained open in Paris through the Reign of Terror.

And this is not all. If the demand for currency was lessened by the decrease of internal commerce it must, on the other hand,

¹ No statistics are available. The first figures given in the *Statesman's Year-Book* are for 1827-36. Imports, 667,000,000 fr.; exports, 698,000,000 fr.

have been immensely increased by the expenses of war and by the destruction of credit. In 1789 the ordinary expenditure of Government was estimated by Necker at £26,400,000, and the revenue at £18,800,000. In 1792 the expenditure amounted to £40,000,000. During 1793 it was at the rate of £144,000,000 per annum. At the same time the destruction of confidence, which was the most remarkable feature of the Revolution, must have increased enormously the necessity for currency, by doing away with deferred payments of all kinds. These considerations, taken together, lead to the conclusion that, after making full allowance for the shrinkage of trade, it is impossible to believe that the exchanges in which currency passed from hand to hand were reduced to one-twentieth, or even one-tenth, of their former volume.

If, then, the quantity theory of money fails to account for the enormous rise of prices which took place between 1793 and 1796, upon what did the rise depend? The answer appears to be that it was a direct result of the simplest and most obvious fact—want of confidence in the currency. The influence of this state of mind on an inconvertible currency has been admitted by the best economists. Adam Smith, after pointing out that an increase of paper money would not necessarily augment prices, because the paper would displace an equal quantity of coin, goes on to say—

“It would be otherwise, indeed, with a paper currency consisting in promissory notes, of which the immediate payment depended in any respect, either upon the good will of those who issued them, or upon a condition which the holder of the notes might not always have it in his power to fulfil; or of which the payment was not exigible till after a certain number of years, and which in the mean time bore no interest. Such a paper money would, no doubt, fall more or less below the value of gold and silver, according as the difficulty or uncertainty of obtaining immediate payment was supposed to be greater or less; or according to the greater or less distance of time at which payment was exigible.”¹

Again, to quote a more modern authority, Professor Walker, in speaking of the fact that the necessity for currency is so great

¹ *Wealth of Nations*, bk. ii., ch. ii.

that a people will accept almost any form of money, however bad, in preference to none, adds—

"It is not asserted that Government issues never fall out of the category of money ; that doubt and distrust never interfere with their currency. . . . It is in this way, mainly, and not through the extent of issues, that we explain the rapid fall in the purchase-power of the Continental currency during the eighteen or twenty months before it went wholly out of use, and disappeared from circulation. The paper money of revolutionary France encountered the same obstacles to its currency, and met the same fate."

But, though the influence of this cause, when it exists, has been acknowledged by these economists, its importance has been greatly underrated. It will, in general, account for the whole of the fall in value of an inconvertible currency, which is being issued in large quantities. So long as the public retains its confidence that the issuing authority is in a sound financial condition, and able, if not willing, to give specie for its notes, so long will the notes remain at par, whether the amount of their issue be large or small. But the moment it is suspected that the issuing authority is in financial difficulties, and that there will be difficulty or impossibility in getting cash for the paper, that instant will the notes begin to depreciate, however small the amount in circulation.

It is not surprising, however, that the effects due to loss of confidence have so frequently been ascribed to excess of issue, since the two phenomena almost always occur together. It is from an increase in the issues that the public infers the weakness of the financial position of the issuing authority. Consequently, a fresh issue is generally followed by a fall in the value of the currency, and, conversely, a retirement of notes by a renewal of confidence and a rise. There is, however, one means of distinguishing the two causes, which we shall see exemplified in the statistics given above. A fall due to loss of confidence ought, in theory, to occur suddenly on the issue of the new batch of paper, or even on the announcement of the intention to make a further issue. A fall due to quantity ought to occur slowly,

and not manifest itself fully till the new quantities of paper have had time to permeate all the channels of circulation, and to be, in Hume's phrase, "thoroughly concocted" throughout the country.¹ For the theory is that an increase of money raises prices only by being laid out on commodities. Every individual, it is supposed, finds himself in possession of increased stores of currency, and, as there are no more commodities in the market than before, he feels impelled (for some occult reason which is not usually explained) to spend the whole of his stock on the existing goods. Prices are thereby raised. Thus the intimate connection which exists between the increase of issues and loss of confidence forms at once the strength and the weakness of the present argument. It is impossible to demonstrate that a fall of value is due, not to loss of confidence, but to excessive issue, since the former is itself a consequence of the knowledge that the latter has taken place, and may always be claimed to occur when the latter has happened. On the other hand, it is almost equally difficult to find a cause of failure of confidence in the financial stability of the issuing authority beyond the usual one of excessive issues.

But though it may be difficult in practice to separate the effects of the two causes, it is important to realize that they are perfectly distinct in their nature, and do not, in ordinary parlance, "come to the same thing." Loss of confidence might occur without any excess of issue, as in the case of a bank which suddenly fails. Issues, which would be called excessive if they were accompanied by depreciation, may occur without loss of confidence,—as in the case of the Bank of France at the present day, whose paper currency stands at about £156,000,000.

With these preliminary observations we may now turn to the statistics, and see how far they bear out the theory given above. The first point to notice is that, long before the issue of

¹ From the analysis of the rupee circulation, published annually by the Government of India, it appears that the coinage of a particular year bears its maximum ratio to the total circulation generally in the next year, and sometimes in the next after that, but never in the year of issue.

assignats, the notes of the Caisse d'Escompte, which Government had declared to be inconvertible in 1788, had fallen below par. In August, 1789, they stood at 98 in silver for 100 liv. in paper, and the price further declined to 94 before April, 1790. The first batch of assignats was decreed on the 16th of April, and had no material effect on values. In June and July the price rose to 95, but fell to 92 in August, at the time of the military revolt at Nancy.

The second issue was decreed on the 25th of September, and was accompanied by a fall of one point before five days had elapsed. In the month of May, 1791, a further fall of four points, to 85, occurred, for which it is difficult to account satisfactorily. Ample cause there was, no doubt, in the death of Mirabeau, on the 2nd of April. But it may be doubted whether the nation was in a sufficiently philosophical frame of mind to estimate his loss at its proper value. The flight of the king to Varennes, in June, was followed by a rise to 87, which will be noticed later; but the subsequent fall of eight points in August may be attributed to the great political uneasiness of the time. On the 17th of July an insurrection had occurred, headed by the extreme party of Robespierre, which had only been suppressed at the point of the bayonet. The term of office of the Assemblée Constituante, too, was drawing to a close, and by its weak attempts to conciliate both parties before its dissolution it had excited the gravest uncertainty in all minds as to the ultimate course of events. Another serious fall occurred between November, 1791, and March, 1792, which is not sufficiently accounted for by the issue of 300 millions on the 17th of December. It seems more probable that it was due to causes affecting commodities, especially food, since a similar fall may be traced during the winter months of every subsequent year.

Neither the declaration that the country was in danger (July 8th), the dethronement of the king (August 10th), nor the massacres of September, appear to have influenced the price of assignats. But, during September, October, and November, a rise from 61 to 73 took place, which is probably connected with the successes of the Republican arms at Valmy (September 20th),

and Gemappes (November 6th). In December a fall of five points appears to have been coincident with the issue of a large sum in paper, for which details are wanting.

In the beginning of 1793 the prospects of the Republican Government rapidly became more gloomy. The execution of the king on the 21st of January was followed by the declaration of war against England on the 3rd of February, and by the outbreak of hostilities in La Vendée on March 16th. The Jacobins had established their ascendancy in the Chamber, and the Reign of Terror began with the month of June. These events were accompanied by a steady depreciation of the assignat, which touched 22 in August. So widespread was the distress caused by the fall, that the Convention passed a series of the most stringent regulations with the object of keeping down prices. The maximum price of bread was fixed by law on the 5th of April, and that of all food grains on the 2nd of May. In September all prices were minutely fixed, and sales were made compulsory, while forced loans were ordered with the object of decreasing the amount of currency in circulation, and providing the Government with funds. At the same time it was decreed that all persons convicted of having refused assignats in payments, of having given or received them at a discount, or of having held conversation tending to discredit them, would be punished with death (September 5, 1793).

It is a remarkable fact that these measures were attended with a large degree of success. The price of the assignat actually rose to 48 in December, 1793, and maintained itself at a level of 34, or more, till the first Prairial, An. II. (May 21, 1794).¹

How artificial was the improvement, however, may be judged from the events which followed the termination of the Reign of Terror. The Jacobins fell on the 8th of September, 1794, and a period of greater clemency in the administration of government succeeded. The maximum was immediately augmented by two-thirds, and eventually abolished. The effect was instantaneous. The value of paper declined rapidly and steadily from 28

¹ One authority asserts that it went to par for a short time.

in Vendémiaire (September, 1794) to 3s. 6d.¹ on the 21 Prairial, An. IV. (June 10, 1796)—a period of twenty-one months. It is impossible to attribute this collapse to the inflation of currency alone; and that for two reasons. In the first place the successive issues of paper were obviously the effect and not the cause of the fall. Contemporary records prove that they were made, not merely to provide for the necessities of Government, but with the deliberate intention of supplying the people with sufficient currency, which was thought to be the proper remedy for the distress caused by high prices. In the second place, the fall far exceeded the rate of increase of the currency. At the end of the Reign of Terror the circulation was not more than double the normal circulation before the Revolution, and the livre in silver was worth 3·6 livres in assignats. Seven months later the circulation was three times greater than normal; but the livre in silver was worth no less than 10 livres in assignats. In another four months the circulation was 5·1 times greater than normal. The silver livre was worth 37 livres in assignats. Finally, when the circulation was 11·9 times greater than normal, the livre in silver was 444 in assignats. The figures for Frimaire and Nivôse, An. IV., are especially instructive. The Directory, on coming into existence, turned its attention to the financial state of the country, and made some ineffectual efforts to return to a metallic currency. This step increased the apprehension that the assignat would be repudiated, and produced an immediate effect. In a month the value fell from 14s. 2d. to 8s. 8d., or 39 per cent., though the circulation only increased by a small fraction during the same time. Again, between Ventôse and Germinal, the circulation increased from 11·7 to 12·3 times its normal amount, while the value of the assignat actually improved from 6s. 11d. to 8s. This final rally was probably due to the law of the 18th of March, 1796, ordering the conversion of assignats into mandats. The latter were issued at 30 to 1, and offered to the holder superior facilities for the acquisition of the land on the security of which

¹ The livre was divided into 20 sols (sous), each of which was divided into twelve deniers.

they were issued. As the assignat was then worth only the $\frac{3}{50}$ part of its face value the exchange was profitable.

The theory of want of confidence receives confirmation from the evidence afforded by the rise in values which accompanied the declaration of war with Austria, and the dethronement of the king. These were events of the gravest political importance, and it might, at first sight, have been expected that they would have caused a fall. The explanation of the opposite result is to be found in the fact that there were at that time two rival forms of government in question. In the early years of the Revolution the country was far from feeling confident as to the ultimate success of the democratic party. The fear of a counter revolution was an active force up till the time of the execution of the king. And it must have been foreseen that, if the monarchical power were to be re-established, the holders of notes issued by the Revolutionary Government would have but little chance of being repaid. Consequently, every event which lessened the chance of a return to the old *régime*, and committed the country more deeply to the new Government, tended, *pro tanto*, to improve public confidence in the assignat and to raise its value.

It is unnecessary to trace the currency into the forms of *scriptions* and *mandats* which displaced it. Enough has been said to illustrate the theory here advanced, that the fall of the value of assignats was due, not to their quantity, but to the loss of confidence in the financial position of the issuing authority. We have seen that the currency did not depreciate slowly and steadily, as might have been expected if the depreciation were due to an increased supply of money acting on a fixed quantity of commodities, but that its value was suddenly and violently affected by political events, or by the simple announcement of the decree to issue more paper. Nor did the amount of the depreciation bear any sort of relation to the extent of the issues, as the quantity theory requires, but varied as it might be expected to do if governed by considerations of confidence or its opposite.

It would be disingenuous to conclude without mentioning several considerations which may justly be urged in reply to

the arguments given above. First, no mention has been made of the forged assignats which were put into circulation. The total amount of these is said to have been large, but, as it is certain that no statistics of their issue exist, and no trustworthy estimate can be framed, they have been, perforce, left out of consideration. It is improbable, however, that they can have made a very important addition to a sum which is already measured in tens of thousands of millions of livres.

Again, the question how far the decay of trade and commerce extended during the Revolution is one which admits of a wide range of opinion. Those who support the quantitative view will probably think that the falling off was more considerable than will be admitted by the opponents of that theory. The question is one of extreme difficulty, and does not appear to admit of any definite answer at the present day.

Finally, the confidence theory may be attacked by pointing out that, during the latter days of the Convention, the decrees for the issue of fresh batches of paper were not passed by the Chamber publicly, but were settled by a small committee of finance, whose deliberations were secret. From this fact the inference may be drawn that the public could have had no knowledge of the new issues, and could not, therefore, have had their confidence affected by them. In so far as the premisses are sound the conclusion is, no doubt, valid. But it may well be doubted whether any real secrecy could have been preserved in such a case. The money market is proverbially well informed, and the issue of a milliard of livres is an operation not easily concealed. The staff employed in the manufacture of assignats alone numbered eight hundred under the Convention, and it may safely be concluded that the new issues were a matter of common knowledge.

CLIVE CUTHBERTSON.

BIBLIOGRAPHY OF WAGE STATISTICS IN THE UNITED KINGDOM IN THE NINETEENTH CENTURY.

THE publications mentioned in this bibliography contain statistics relating to wages or hours of labour in the United Kingdom in this or the end of last century. There are many other books relating to the condition of the working classes which give useful general ideas on their progressive welfare, and also many other pamphlets, especially those which deal with strikes and local wage changes, but for want of space these are excluded.

The bibliography is divided into four parts :—

1. Books arranged alphabetically according to names of authors.
2. Parliamentary publications, in chronological order.
3. Pamphlets, periodicals, and other writings, classified according to trade.
4. Newspapers, etc.

In the third group is included the magnificent collection of Trade Union publications recently presented to the British Library of Political Science, in London, by Mr. and Mrs. Sidney Webb, including their manuscript notes. It has not been possible in the space at our disposal to do more than indicate the nature of the information which they contain. Works from this collection are distinguished by the letter "W," and a number referring to the volume or box. Free use has been made of the bibliographies in the *History of Trade Unionism*, and in *Industrial Democracy*.

Our intention has been to indicate, as far as is possible in a few words, the importance of the information in each volume, and the dates and industries to which it refers; so that a student of any particular industry shall be able to tell what data are at his disposal, and where to find it. After the title of each book is given its catalogue number in the British Museum Library, if we have been able to find it there. If to be found in the library of the Royal Statistical Society, or in the British Library of Political Science, we distinguish it by the letters "S" or "P" respectively. Our thanks are due to the authorities at both these libraries for their continual assistance.

The Parliamentary publications are only distinguished by the

catalogue volume in the British Museum newspaper room, which correspond to those in the Library of the Board of Trade. The title is abbreviated by leaving out such words as Commission, Reports, etc., but no difficulty will be found in locating them in the museum, and the title and date will be sufficient for finding them in other catalogues. For some recent Papers by Command, the numbers (*e.g.* C. 6708 of 1892) by which they should be ordered from a bookseller are given.

The following abbreviations are used :—"S," Statistical Society Library ; "P," Political Science Library ; "N," Newspaper Room, British Museum ; "W. ()," Webb collection ; "p," prices for piecework only ; "h," statistics of hours only ; *, specially full or important.

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¹ The numbers refer to the arrangement in the British Museum. Pages, where given, are the MSS. paging. The words "Committee" and "Commission" are generally omitted.

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Factory Inspectors' Reports, half-yearly, from 1835 ; XL. of 1835—earnings in Manchester ; XXII. of 1842—*cotton, 1836–41, and some earlier figures ; XXV. of 1845—Cotton, 1844 ; XXII. of 1849—*effect of 10 hours' day ; XXIII. of 1850—effect of quickening, 1845–9 ; XXII. of 1861—hosiery ; XXII. of 1864—wages before and after famine ; XX. of 1865—potteries and other trades ; XXIV. of 1866—*cotton, 1850–65,—Coventry, p., 1864–5 ; XVI. of 1867—potteries and puddlers ; XIV. of 1868–9—*cotton, 1860–68, and misc. ; XV. of 1870—puddlers ; XIV. of 1871—*cotton, 1848–71, and others ; XIII. of 1873—misc. ; XIV. of 1886—Irish linen ; XXVI. of 1888—many misc. —*women in London, 1887 ; XVIII. of 1889—tin, nails ; XIX. of 1890–1—spinners since 1875, iron ; XVII. of 1893—*flax, Ireland, 1887, 1892.—S.

***Wage Census*, LXX. of 1889 (C. 5807)—textiles ; LXVIII. of 1890 (C. 6161)—minor textiles ; LXXVIII. of 1891 (C. 6455)—mines and quarries ; LXVIII. of 1892 (C. 6715)—police, roads, etc. ; LXXXIII., part ii., of 1893 (C. 6889)—general report.—S.

**Labour Department*, C. 7567, i., ii.—standard time and piece rates, 1894 ; C. 7567, C. 8075, C. 8375, C. 8444,—changes of wages and hours, 1893–6 ; C. 7564—women and girls, 1894.—S. See *Annual Abstract of Labour Statistics*.

III. PAMPHLETS.¹

BAKERS.—W. (24) and (101) : Amal. Union, dates between 1875 and 1891 ; local societies between 1866 and 1890 ; Ireland, National, 1890–1 ; Scotland, National Federal, 1888 ; the case of the journeyman (Guy), 1848 and 1860. W. (238) : misc.

¹ Dates are those for which wages are given.

- BASS DRESSERS.**—W. (56) : Manchester, 1891, p.
- BASKET MAKERS.**—W. (56) : Amal. Union, 1892. W. (238) : Scotch, 1845, 1854, 1890.
- BARGEBUILDERS.**—W. (21) : Thames, 1890. W. (212) : London, 1866–1890.
- BOILERMAKERS and Iron Shipbuilders' Society.**—W. (19) and (300) : Mouthly Reports, 1883–97, and Annual Reports, 1881–1896, both incomplete ; Manchester, 1891. W. (49) : 1890–5, p. W. (212) : misc., 1842–1892.
- Boot and Shoe, National Union.**—W. (74), (75), and (327) : Reports, incomplete, 1890–7. W. (97) : Scotch, 1866, 1871–1889. W. (96) : Scotch, 1868. W. (96), (97), (253), and (353) : English, between 1882 and 1893. P. tract box 23 : Leeds, 1881.
- BRUSHMAKERS.**—W. (56) : Leeds, 1891–2, p.
- BUILDERS.**—The following give day or hour rates in London :—
Skyring's Builders' Prices, 1811—712 h. 6 (4) ; 1831—not in library ; 1848, 1852, 1853, PP. 5273, b. 3 ; 1848, PP. 2491 ; 1858 seq., PP. 2505 gi ; 1893—"84th yearly issue." *Crosby's Builders' New Price Book*, 1806–17, 1854–5, PP. 2491 m. ; 1821 is in W. (279). *Taylor's Builders' Price Book*, 1805–6, 1831, 1845–50, 1854, PP. 2491 k. *Simon's Houseowner's Estimator*, 1874, 1875, 1881 ; 7820 aaa. 1 and 49, and b. 2. Also *Bricklayers' and Plasterers' Manual*, 1829. *National Assoc. Master Builders*, 1885, seq.—8244 aa. 20 ; wages in all districts, 1885–94. W. (36), (39), (40), (86), and (253 II.) : Oper. Bricklayers—various, 1885–94. W. (36) : Birmingham, 1865, 1873, 1876, 1879. W. (253 II.) : Dublin, 1890. W. (217) and (218) : Manchester, 1839–59 ; Glasgow, 1870 and 1889. W. (20) : Trade Circular, 1861–62, 1892–95. W. (218) : Misc. W. (38) and (57) : Scotch masons, 1881–90. W. (36) : London masons, 1892 ; plasterers (Lancs.), 1891, 1893 ; and Dublin, 1890. W. (58) : Scotch plasterers, 1889. W. (219) : valuable misc. notes.
- CABINET MAKERS.**—W. (59) : Annual and Monthly Reports, incomplete, 1877–92. W. (215) : 1874, '92, and misc. W. (86) : Scotch, 1888–92. *Book of Prices* (*v. Atkinson*) : 1805 and 1831—712 k. (14) and (15) ; p., but interesting. Similarly *Edinburgh* in 1805 and 1825, and *London Cabinet Small Workers' London Book of Prices*, 1806—7942 c. 29, and *London Chairmakers' and Carvers'*, 1802 and 1808—558 b. 20 (2) and (3).
- CARPENTERS AND JOINERS.**—* *The London Standard List of Prices*, 1776, 1777, 1778—1029 i. 6 (3), (4), (5). *Prices of Carpenters' and Joiners' Work* in 1801—1029 k. 14 ; p. W. (15) and (93) :

Friendly, Monthly Reports, 1864-65. W. (272) : *Amal. Soc. Reports, incomplete, 1865-96. W. (15) and (354) : Portsmouth, 1893, 1895, and others. W. (93) and (253) : *Ass. of Scotland, 1875-95. W. (275) : S. Joseph, 1881. W. (217) : *General Union from 1834, especially 1843 and 1872.

COACHMAKERS.—W. (88) : 1892, 1893, 1895, h.

COMPOSITORS.—*London Scale of Prices, 1810 ; W. (314) : scale since 1785. *Report of Journeymen Members of Committee, London, 1847—8276 bbb. 42 : rates since 1785. *Report on the Process of Compositor Printers v. Master Printers, Edinburgh, 1804—current wages. See Webb, *Labour in Longest Reign*.

W. (83), (99), (220), (253 L), (253 V.), (315), (316), (317) : *Scotch and Glasgow Typographical Societies, 1845-92. W. (77), (99), (253 L), (314), (315) : Typographical Association, 1845-46, 1877-94. W. (78) : Davidson on piece rates, 1809. W. (26), (27), (78), (312), (315) : London and general since 1877. W. (220), (221) : misc.

COOPERS.—W. (88), (89) : 1889, 1891, 1892. W. (222) : misc.

COTTON SPINNERS.—W. (95)*, (10)*, (146), (147), (8) : lists and changes. W. (200) to (203) : MSS. misc. W. (25, § 23) : history of trade of Preston, Banks, 1888. W. (25, § 21) : the eight hours' day, Fogg, 1892. W. (10) : system of payment, Oldham. W. (9) : Bolton, p., 1884 to 1896. W. (148) : Bolton, 1874. See also Textiles.

ENGINEERS.—W. (119), (125), (126) : A. S. E. Forty Years' Progress, Anderson, 1891 ; history, 1852-93. W. (3), (4), (5) : A. S. E., 1891-97. See also W. (47), (231 to 237).

GLASS BOTTLE MAKERS.—W. (31), (32), (33) : Great detail for 1881-95. W. (31) : 1854 and 1890. W. (353) : 1892. W. (253 L), 1873.

IRONFOUNDERS.—W. (87) (181) : Reports, incomplete, 1874-97 ; *Annual Rep., 1894. W. (235) : MSS. misc. W. (254) : Ironworker's Journal, incomplete, 1874-98.

LABOURERS.—Very misc., but chiefly quite modern in W. (22), (23), (25), (41), (52), (66), (67), (71), (225), (253 L).

LACEMAKERS.—W. (353) : Notts., p., 1889, 1893.

LEATHERWORKERS.—W. (223), (209), (210), (353) : misc. from 1846.

MATCHMAKERS.—W.N. The Link, London, 1888.

METAL TRADES.—W. (12), (47), (48) : misc. modern. W. (231 to 237 MSS.) : valuable misc.

MINERS.—*A Voice from the Coal Mines of Tyne and Wear*, 1835, T. 932, 11 : current wages. *Report of Meeting held at London Tavern in 1818*—8276 ee. 60 : current wages.

W. (84), (164)*, (165), (167), (168), (169) : Durham, 1878–94. W. (30) : Mr. Patterson's notebook, circa 1882. W. (253 III.) : Derby, 1892–95. W. (161) : Lancs., 1893–96. W. (80), (105), (172) : Yorks., 1889–98. W. (170) : South Yorks. Arbitration, 1879. W. (30) : sundries. W. (163) : Northumberland, 1891–94. W. (160) : Federation, 1893–96. W. (174) : Conference, 1874. W. (84) : Congress, Belgium, 1890. W. (105) : enginemen, 1891–93. W. (118)* : sliding scales pamphlets. W. (206–208) : MSS., valuable misc. W. (162) : 1863.

PAINTERS.—W. (18) : Annual Reports, detailed wages, 1885–93.

W. (36) : misc., 1891, 1892. W. (219) : MSS. from beginning of century. W. (37) : Leicester, 1891.

PATTERNS-MAKERS.—W. (1) : Reports and wage lists, incomplete, 1881–97.

PLUMBERS.—W. (2) : Reports and wage lists, incomplete, 1892–97, W. (36) : various, 1888–92. W. (219) : MSS. misc.

POSTMEN.—W. (24) : The case for inquiry, and wages, 1891.

POTTERS.—W. (222) : MSS. misc.

PRINTING TRADES MISCELLANEOUS.—W. (14) : Paper-making, Maidstone, 1840–1891. W. (18) : Lithographic, 1888–1895. See also W. (98) and (253 I.).

SAILMAKERS.—W. (48) : p., London, 1891 ; Hull, 1883–92. W. (212) : Old London Society, 1836–74 ; Hull, 1890 ; Belfast, 1884, 1892.

SHIPBUILDING TRADES.—(W. 295)* : Clyde, complete, 1851 and 1877 ; arbitration, 1877. W. (47) : Liverpool, 1889. W. (21) : London, 1891. W. (291)* : Ass. Soc. of Shipwrights, wage lists, 1888, 1896. W. (70) : Reports, 1887–97. W. (253 VI.) : Clyde, 1892 ; *Amal. Soc. Shipwrights, wage list, 1886–89. W. (290) : p., 1825.

SHIP-JOINERS.—W. (102) : Mersey, 1872. W. (48) : Mersey, 1890. W. (47) : Cardiff, 1891. W. (212) : Liverpool, 1845, 1854.

STONE-MASONS.—W. (36) : Portsmouth, 1893. W. (90) and (255) : Oper. Friendly Soc., 1890–94. W. (253 III.) : 1890–97.

TAILORS AND HATTERS.—W. (6) : p., Derby, 1866 ; Liverpool, 1891. W. (35) : p., Glasgow, 1855 and 1860. W. (153) : p., Glasgow, 1867 and 1890. W. (152) : p., 1887–97. W. (214) and (223) : historical misc. W. (253 III.) : p., 1891. P. tract box, 53 : p., 1886.

TEXTILES.—P. tract box, 53 : *International Congress, 1894 ; 1833 and 1893 compared. W. (51) : knitters, 1884, 1892. W. (50) : weavers, lists and misc., 1880–95. W. (200) to (205) : *historical misc., very full. W. (76) : 1879.

TRANSPORT.—W. (66) : Mersey, 1891. W. (213) : MSS. misc. W. (253 IV.) : misc., 1889–90.

UPHOLSTERERS.—W. (37) : misc., 1889–91. W. (215) : misc., 1860–92.

WEAVERS.—Resolution for petition (Worsted), 1835 : Current average. Commission to draw up petition, Spitalfields, 1828 : p., 1791–1827.

WOMEN.—W. (85) : various, 1891–96. W. (253 V.) : shops and laundries in Glasgow, 1893–4. W. (246) : MSS. misc.

BROADSIDES, containing misc. information, chiefly labourers, modern.

IV. NEWSPAPERS, ETC.

Artisans' London and Provincial Chronicle, 1825. N. Very few wage statements.

**The Beehive*, 1869–76. N. Scattered information ; little original except May 6, 1871, Trade Union wages in London.

British Almanack and Companion, 1834. S. Manchester wages and prices, 1810–34. 1874 (p. 90), general average rise.

Colbourn's Magazine. PP. 5461. State of the rural population ; general history of agriculture, but few wage statistics.

**Commercial History and Review*. Economist. N. S. Annually in Feb. or March since 1862, giving general industrial history and occasionally wage changes.

English Labourer's Chronicle, 1877. Leamington, 1878. N. Sept., 1877. Wages in 1874 quoted from Bell.

Enquiry into the State of the Manufacturing Population, 1831. London, 8vo. T. 1351 (13). h.

The Gorgon. London, 1888–19. PP. 8557 te. Especially London tailors and type-founders, 1777–1818. Cotton 1818 (pages 100, 134, 135, 149, 171, 220).

Industrial Remuneration Conference, 1885. S. Dundee, 1859–1885. Miners, 1869–1885.

Industrial Review, 1878. N. Mixed information, 1877. Cotton wages, France and England.

**Labour Gazette*. N.-S.-P. Monthly, from Board of Trade since 1893.

Labour and the Poor. Morning Chronicle, 1850. 8276 de. 14. Wages of ballast heavers.

The Labourer's Union Chronicle, 1897, Jan. 20th. Agricultural wages in Lincoln, 1813.

The Labourer's Friend, 1837-55. N. Misc. figures.

The Link. July 14, 1888. N. W. Wages paid by Messrs. Bryant & May.

National Association for the Promotion of Social Science, 1858-83.

S. Ac. 2260/2. 1860, Report on Trade Soc. and Strikes—many misc. wages. 1861, current agricultural wages.

Journal of the London Royal Statistical Society. 2097 d. S. Vol. 1, Northumberland, 1838 ; Textiles, 1838 (Felkin). Vol. 2, Earnings in Rutland and Durham, 1839. Vol. 3, Earnings in Monmouth, 1840. * Vols. 20 and 21, Glasgow, 1841-58 (Strang). Vol. 22, Dorset, 1859. Vol. 33, Summary of Irish Wages, 1849 and 1869 ; Ass. Carpenters, Scotch, 1870 ; Essex, 1870. Other articles under authors' names.

Tradesman, or Commercial Magazine. London, 1805-15. PP. 1423 d. Very few wages.

The Times. June, 1844. N. Wages in Suffolk. Working classes of Edinburgh and Leith, 1853.

A. HOPKINSON.

A. L. BOWLEY.

[NOTE.—I should be grateful for information as to any of the following : — ARCH : *Condition of Rural Population*. BAFTON : *Enquiry into Depreciation of Agricultural Labour*, 1820. BEAUMONT, PROFESSOR : *Woollen and Worsted Manufacture*. BURN, J. DAWSON : *Autobiography of a Beggar Boy*. GASKELL, P. : *History of Collieries*, 1835 ; *Prospects of Industry*, 1835. HUTTON, WILLIAM : *Court of Requests*. JAMES, J. S. STANLEY : *Condition of Working Classes*. MARTINEAU, H. : *Strikes and Low Wages*. MAYHEW, H. : *Low Wages and Remedies*. TOOKE : *Handbook of Silk, Cotton, and Worsted Manufacture*. TOYNBEE, A. : *Modern Factory System. Working Man's Companion*, 1834. *Poor Man's Advocate. Weavers' Petition*, 1800. *Framework Knitters*, 1800-1803 ; or any books or pamphlets containing English wage statistics not in above lists.

A. L. B.

ST. JOHN'S SCHOOL, LEATHERHEAD.]

[We greatly regret to announce that while this article was in proof Miss Hopkinson fell a victim to a terrible Alpine accident. As a keen and diligent student at Cambridge, and at the London School of Economics, she had given an earnest of future work, and we beg to offer our sincere condolences to her bereaved friends. R. I. P.]

NOTES AND MEMORANDA.

THE POTTER AND LEAD-POISONING.—The important place which the potting industry fills in the list of our national manufactures is more than sufficient warrant for calling attention to the conditions under which this branch of productive industry is carried on. The average and well-to-do citizen, fortunate possessor of choice specimens of the potter's art, is apt to overlook the fact that their production has been effected at a terrible cost to the worker in ruined health, serious physical disability, blindness, and perchance even an agonizing and lingering death.

Recent investigations conclusively demonstrate that a very considerable proportion of the workers in the potteries fall victims to "plumbism" in one form or another. The cases of blindness, paralysis, wrist-drop, and lead colic, recently brought to light, form a long and appalling list, and constitute in themselves the strongest possible *prima facie* case for inquiry, and drastic legislative interference. The death-rate amongst potters, according to the Registrar-General's Report, is abnormally high, being nearly three times greater than that of agricultural labourers, and is only exceeded by that of the London publicans and dock-labourers, lead-workers, and file-makers. It should be particularly borne in mind that the Report deals only with males from twenty-five to sixty-five. The women and children are not included in the statistics. The number of lead-poisoning cases reported from the potteries in 1896 amounted to 326, divided as follows : dippers, 78 ; glost-placers, 70 ; ware cleaners after dippers and dippers' assistants, 78 ; majolica paintresses, 42 ; printers' transferrs, 10 ; groundlayers, 48.

The importance of a full and fair discussion of the present situation as it affects both manufacturer and operative needs scarcely to be urged. There are in the potteries four hundred manufactories, employing 46,000 persons, of whom half are females. According to the Chief Inspector's Report (1896) 640 half-timers were employed, of whom rather more than a third were girls under fourteen, and 10,657 young persons under eighteen, of which number 5690 were females.

The dangerous processes of pottery manufacture, where the various

salts of lead are used in conjunction with other compounds, are technically known as "dipping," "ware-cleaning," "glost-placing," "majolica painting," "ground-laying," and "litho-transfer making." The porosity of the clays used requires the employment of differently compounded glazes, without which vessels of china and earthenware would be of small utility.

The "dipper," as the name implies, deals with the ware in its biscuit state, and is engaged in immersing it in a solution of finely ground ingredients to which carbonate of lead has been added in varying proportions, ranging from 14 to 65 per cent. of the total bulk. The lead appears to be the most convenient flux that can be used for reducing the other components of the glaze to a vitrified form; and the manufacturers urge that up to the present no efficient substitute for it has been discovered. The operation of dipping is performed solely with the hands, and the lead at length causes a partial paralysis of the muscles of the wrist, technically known as "wrist-drop." On the young women, who are largely employed in dipping-houses, the lead has a much more rapid and serious effect than upon the male workers. Blindness, partial or total, convulsions, miscarriages, and even death itself have followed after only a short term of employment in the dipping-house. For this class of work the wages of women range from seven to ten shillings per week, while men dippers obtain from five to eight shillings per day. Considering the nature of the work and the risks involved, the remuneration cannot be considered as excessively liberal.

The operation of "dipping" is succeeded by "cleaning," or the removing of all superfluous glaze. The ware being dry at this stage, a considerable quantity of very fine lead dust is liberated, and remains suspended in the atmosphere of the cleaning room, and is inhaled by the workers, all of whom are females. Although the greatest precautions may be taken, the impalpable lead powder finds its way into and is gradually absorbed by the system, and at length produces plumbism in its severest forms. The wages of the operatives in this department average seven shillings per week.

The "glost-placer" arranges the ware in the vessels in which the baking process is undergone, and, like the ware-cleaner, cannot avoid inhaling the deleterious dust.

The application of variously coloured "soft" glazes to the entire surface of certain kinds of ware, constitutes what is known as "majolica-painting." The soft glazes contain a large proportion of lead, and the females who are engaged in this branch of the industry, as painters, suffer acutely from the lead poison. A certain degree of skill is

required in manipulating the glaze, and in this department slightly higher wages are obtained.

The processes of ground-laying and litho-transfer include the application of lead compounds, in the form of a fine powder, to prepared surfaces, and, as in the case of ware-cleaning, the atmosphere becomes laden with the lead dust with similar effects on the operatives.

The Special Commission, which was appointed in 1893 to deal with the question of lead-poisoning, made several suggestions, which were afterwards embodied in a code of special rules designed to obviate as far as possible the risks to which working potters are subjected. These rules, which referred to the use of overalls and respirators by those engaged in the dusting processes, as well as to the necessity of providing suitable mess-rooms in which meals might be taken without lead contamination, have not proved effectual in dealing with the evils to which public attention has had again to be called. It could hardly be expected that the young and inexperienced among the workers would adequately realize the risks to which they were exposed, and the paramount importance of a close adherence to the regulations in the interest of their health.

It is evident that the provision of proper safeguards should lie upon the manufacturers, and that they should be made legally responsible if a minimum of accommodation, ventilation, and other antidotes are not provided. The question, however, has advanced a stage, and the recommendation of the chemical experts, that the use of raw lead in glaze manufacture should be prohibited, reduces the issue to very small dimensions. Manufacturers of eminence already state that they have tried leadless glazes with satisfactory results, and it only remains to be shown why such glazes cannot be used with success by the other makers.

Meanwhile, as urged in the debate in the House of Commons, women and children under twenty-one should be prohibited from engaging in those processes where glazes containing raw lead are used. Further, periodical certificates of fitness should be insisted on, the cost of these to be borne by the manufacturers. Strict attention should be given to the hygienic construction of all rooms in which cleaning and dusting are carried on, in order that the maximum degree of efficient ventilation may be secured. It is also urged that the washing of all overalls should be done only at a Government laundry.

The last, though not the least important proposal, is that a female inspector of factories for the pottery district should be appointed without delay. This seems little to ask in view of the fact that about half the workers are women or girls, whose interests can only be

properly supervised by a lady inspector. To this proposal the Home Office authorities have demurred, but without giving any adequate reason. The health of the women workers in the potteries is surely as important as that of dressmakers, whose conditions of labour have for a considerable period been overlooked by lady inspectors.

The social reformers who have been instrumental in drawing public attention to the need for further legislative interference, deny that they have any other reason for agitating than the necessity for reducing the evils attendant upon pottery manufacture. They are fully alive to the fact that the potting trade is one of the most important in the kingdom, and well deserves that every effort should be made to ensure its economic efficiency. But the spirit of the age forbids that the question should be determined from the individualist standpoint alone, or that mere commercial interests should decide the issue apart from moral and humane considerations.

F. L. FARRINGTON.
BERTRAM WILSON.

A VISIT TO PORT SUNLIGHT.—“A nineteenth century industrial community”—such is the definition of Port Sunlight as given on the title page of the pamphlet presented to visitors of the new settlement, that has within the last few years sprung into existence on the Cheshire side of the Mersey.

Far removed from the mediæval idea of a community is this one of the present century. Here is no possibility of the contemplative life, which, like a golden thread, strung together the gentle activities of the great communities of old days. Nor do we find a trace of the spirit of the guilds which, in the Middle Ages, bound in one common interest the craftsmen of a similar trade. This is an attempt to benefit the workers in a large business by devoting a part of the wealth they produce to building them good houses, providing recreation grounds, gardens, library, lecture-hall, and other buildings for general use ; thus conduced to healthy lives being spent in pleasant surroundings. Visitors are ever welcome at Port Sunlight, where a part of the daily routine is to send guides to conduct strangers over the works. Elaborate arrangements are made for their seeing everything, and a printed slip shows the order of the route.

Passing over the various departments of printing, card and wood boxmaking, chemical laboratories, soap boiling, cutting, and packing, with the necessary engine-house, dynamo-house, warehouse and wharf, and noting in passing the well-ventilated, spacious factories, I was specially anxious to see what provision is made for the eight hundred

girls employed at the works. First, with regard to food. The lavatories have lockers, where girls can leave their hats and any dinner they bring with them. There is, however, a notice on the wall that dinners are not to be eaten there. It is in Gladstone Hall they have their meals ; either the food they brought from home, which can be warmed free of charge, or at the cost of sixpence they can have a dinner of soup, meat, vegetables, pudding, bread and cheese. The latter is a co-operative arrangement managed by the workers themselves, but the firm supplies, free, all the utensils required for cooking and heating. A girls' restaurant has also been fitted up by the firm, in which hot dinners at the rate of one penny to fourpence are served at the dinner-hour ; this is under the care of a ladies' committee composed of the wives of leading officials. After working hours, the Girls' Institute is the centre of all sorts of classes. The sewing class, held each Monday, is the most popular. It is divided into two, for elder and younger girls, and has eighty members. The girls buy their materials, paying by weekly instalments, and learn to cut out and make their own clothing. Then there are classes on other days for dress-making, drilling, dancing, cookery, ambulance, and sometimes millinery. The fee for each class and course of twelve lessons is one shilling, the firm paying three shillings for every one shilling contributed by the girls. Once a month is a temperance meeting ; once a month also a social evening, on which occasion the dancing-lessons are put to the test. I was told by one of the ladies who take a personal share in the work of the classes, that it is surprising how the dancing-class teaches the girls better and gentler manners, and encourages them in the graces and amenities of life. There is also a reading-room, where for one shilling a year the girls are supplied with periodicals of all sorts. Nor is the taste for music neglected. During the winter there is a weekly Thursday evening concert at Gladstone Hall, a free entertainment for which the firm engage the best talent. A few seats are reserved for the heads of departments and their wives, while the public unconnected with Port Sunlight are admitted at the small charge of sixpence.

As an eight hours' day is the rule at Port Sunlight, and as all work ceases at five o'clock, there is ample time in the evening for the due discharge of the unending obligation for mental development. "The demand of the intellect," says Walter Pater, "is to feel itself alive," and at the central building, called Gladstone Hall, the inhabitants of Port Sunlight can satisfy this demand. The large room, used at mid-day for dinners, is open on week nights for lectures on many and varied subjects, meetings of the Literary and Debating Society, dramatic

entertainments and band practices ; on Sunday the hall is used for what is called a "pleasant Sunday evening," the programme being made up of sacred music, Bible reading, and hymns from the well-known collection *Hymns Ancient and Modern*. Should the worker be disinclined for mental exertion in the evening, he has a large choice of recreations offered to him : there are two men's clubs, bowling, cricket, tennis, football, and quoits clubs and grounds, a reading-room and billiard-room. Last, but not least, combining recreation with productive labour, there are allotment gardens, where for the rent of one shilling a year, a workman can have about eight rods of ground, with water laid on.

The general aspect of Port Sunlight is highly attractive. The broad roads planted with trees, the grassy plots in front of the houses, kept trim by the firm's own staff of gardeners, create an impression of open-air healthiness and cheerfulness which is very striking. There are 2200 workers, roundly speaking, connected with the works, and of these a goodly number are housed in the model village which has grown with the factory. It contains 278 houses,¹ and more are being added. These houses are not only artistic and pleasing to the eye, but also all that can be wished in the way of convenience and sanitation. No two blocks are alike, and each householder has his own door—a laudable ambition in a working man. Some are old English in style, with diamond lattice panes, and solid oak doors, others have verandahs ; some are treated with beams and plaster work, others with terra cotta mouldings ; some, again, are of stone, others of brick ; most have creepers growing on the walls ; none has less than three bed-rooms, and all but two or three of the earlier ones are provided with bath-rooms. Three shillings a week is the rent of a house of four rooms, viz. large kitchen, scullery, three bedrooms and bath-room. For five shillings a week rent, there is in addition a parlour and extra bedroom. This is inclusive of all rates, and even water.

Port Sunlight is self-governing. It has a Village Council, the membership of which is restricted to the heads of departments, with representatives chosen from and by each department, and elected annually. No male is eligible for election who is under the age of twenty-one years, nor any female who is under the age of eighteen years. The council meets monthly, or oftener if required. It has a fixed order of business, and is subdivided into the following committees to carry out the various objects, viz. :—

Hall Committee.—Control of hall, pavilion, and youths' club rooms

¹ This was written some months ago, and, to be exact, the figures should now be larger.

for meetings, etc., literary and debating society, men and youths' social clubs, chess club, men's dining club, etc.

Provident Committee.—Sick club, ambulance classes, savings bank, insurance.

Musical Committee.—Band, minstrel troupe, choral society, week-night entertainments, amateur dramatic society, and dancing school.

Athletics Committee.—Cricket, football, gymnastics, quoits, cycling club, bowling club, etc.

Grounds and Horticultural Committee.—Allotment gardens, horticultural exhibitions, control of grounds at Port Sunlight for allotments and out-door sports.

Shop Committee.—Village shop and customers' deposits.

Science and Art Committee.

Girls' Social Club Committee.

Journal Committee.

Request Committee.—The consideration of any "request" (new project or suggestion which has not yet come within the province of any of the other committees).

Finance Committee.—Audit and regulation of all accounts.

The duties of each committee are strictly defined, and each member of the Village Council must sit upon, at least, one of the committees.

Though much nonsense has been talked of modern progress, as if it meant that, because we have telegraphs, newspapers, and steam-boilers, we are therefore superior to the times that produced Plato or Michael Angelo, still it is undeniable that mankind, as a whole, is steadily rising towards higher levels of physical, intellectual, and moral life; in few places does the advance "jump to the eyes," as our French neighbours say, more than in this village, and we may therefore take heart and cheer ourselves by picturing the coming years when other factory owners will be able to work on the same method.

One of the largest buildings in Port Sunlight is that of the new schools. It is well equipped with bright class-rooms, and decorated with pictures and photographs. Five hundred children can be received, and it is already full: the education is free. The central hall is used on Sundays for services. On the first Sunday in the month the service is nominally on Church lines (the Absolution and other points being omitted); on the second Sunday a Wesleyan conducts the service; on the third a Primitive Methodist; on the fourth a Congregationalist: if a fifth Sunday occurs, a Presbyterian takes charge. Here, to members of the Christian Social Union, is the weak spot of this nineteenth century community. They would rejoice to see a stately beautiful Church, "with taper finger pointing to the sky," realizing the ideal

described in the last chapter of *Paul Mercer*, and teaching, by its silent presence near the hum of the busy factory, that "Man has Forever."

As regards civilization, Port Sunlight makes a great advance upon the ordinary conception of the modern factory system. If to set forth a great moral ideal be an enormous service, this practical effort for the amelioration of industrial life is one for which we may well thank God and take courage, civilization being "one of the two important orders of God's working for His creatures here."¹ Professor Caird tells us that the problem is not to divide the world between God and Caesar, or, as we should now say, between God and humanity, but to give all to God in giving all to humanity—humanity being conceived, not as a collection of individuals, but as an organism in which the Divine Spirit reveals Himself. Viewed in the light of the religion of the Incarnation and of its teaching, that the brotherhood of man is rooted in the fatherhood of God, and that we are members one of another, bound together by Sacrament and prayer, everything that tends to augment the sense of the value and dignity of the individual life, with its duty to increase light and culture both in itself and in others, should be greatly prized. It is more than probable that, stretching ever onward and upward, this reaching towards civilization may prepare the way for the highest of all civilizations, the Catholic Faith—the faith which, in the Bishop of Durham's words, "touches life at every point. The office, and the shop, and the factory, and the shipyard, and the pit, the municipal council-chamber, and the board-room of 'the Union,' are meeting-places with God, where He can be honoured, if those whose duty lies there enter them as having welcomed the message of the Incarnation."

M. PETRENA BROCKLEBANK.

THE CO-OPERATIVE CONGRESS which met at Peterborough during Whits week was the thirtieth of a consecutive series, and on the whole fairly maintained the standard of former congresses.

It was noticeable that the silent delegate, who is always largely in the majority, had decided opinions on the merits of every question coming to the vote. He could also appreciate a statement uttered with sincerity and earnestness even though unorthodox or unpopular, and was rarely led to applaud empty clap-trap, of which there was less than might have been expected in a gathering of such a character. For instance, he boldly condemned the official recommendation to shelve the question of direct parliamentary representation, and in the

¹ Canon Knox Little, *St. Francis of Assisi*, p. 21.

Exhibition of Co-operative Productions evinced no prejudice in respect to goods shown by societies of consumers or societies of producers. When asked to decide as to the next place of meeting, he withheld the seductions of Blackpool, the sordid temptations of Bolton, which would entertain Congress at its own cost, deferred his opportunity of being patronized at Manchester by the great English Wholesale, and decided upon Liverpool, because "it is the second seaport in the kingdom, and is the feeblest in co-operative effort." One feels assured, therefore, that the movement is still healthy and vigorous, and that the coming generation will be able to give a good account of its stewardship.

No co-operative congress is nowadays complete without its exhibition of goods produced in co-operative workshops. The Peterborough Exhibition included productions from the two Wholesale Societies, the United Baking Society of Glasgow, and upwards of sixty societies of producers, and showed how co-operative capital is being subordinated to labour, and how the working classes are learning to organize and control industrial enterprises.

The Bishop of London's inaugural address was far above the average, and gratified all sections of the Congress. To the veterans it brought comfort to be assured by an independent observer of such eminence, that their labour had not been in vain, nor their hopes delusive, since the movement had won a position of recognized importance. And the young enthusiasts, too, felt specially indebted for an address which pleaded for a continuation of experiments rather than the adoption of any theory of finality; for their hope lies in new fields where they may do the work of their own generation, guided and sustained by the accumulated experience and resources of their forbears.

The statistics showed a remarkable development in Ireland of dairy societies, and societies formed for the collective purchase of agricultural requirements, but also that the number of retail stores in Great Britain had only very slightly increased in the year. From this it was argued that the missionary spirit of the movement is declining, though some account should be taken of the fact that existing societies are forming branches. A map of societies would make the situation clear, and prevent confusion.

It should also be noted that societies of producers now offer, by means of their federation, a safe field for the investment of the capital possessed by the retail stores in superabundance, and their present position completely refutes the assertion that their basis is insecure.

The Report of the sub-committee on Parliamentary representation gave rise to the most spirited debate of Congress. The committee recommended that the time was not ripe, and that it was inexpedient

to take further action ; but the Scottish delegates refused to agree to the shelving of the question on the mere ground of expediency, and were supported by the main body of delegates. There was no evidence forthcoming that the matter had been fairly considered in its broader aspects, but it seems evident that the principle of direct representation will eventually be adopted. As the movement develops it may require from parliament a far greater amount of enabling and possibly of protective legislation than has been required in the past, or is to be expected from a parliament largely dominated by representatives of the commercial and capitalist classes. Again, if co-operative agriculture be seriously taken in hand, the need for further legislative action in respect to land tenure and transfer will speedily make itself felt.

That portion of the Report concerned with the question of education occasioned less discussion than had been anticipated. Some progress has been made, but any further advance depends upon the maintenance of pressure upon the responsible officials. It is now absolutely necessary in the interests of the movement, that there should be a large measure of decentralization as regards educational matters. On all sides the need is felt for further information on the history and principles of the movement, a wider knowledge of industrial history, and some acquaintance with the principles of economics and sociology. So far no satisfactory attempt has been made to secure or equip a body of teachers capable of doing this work, and the central committee have apparently not yet realized that it is their function to organize and direct such a body.

Superannuation is a question upon which Congress has been unable to reach any definite conclusion. Hitherto, most of the superannuation schemes propounded have been for the benefit of the co-operative employee alone. Desirable though the pensioning of the worn-out servant undoubtedly is, such schemes seem rather heroic in view of the circumstances of the persons by whom the superannuation allowance would be paid, many of them being merely weekly wage earners, without any other prospect than the workhouse for their own old age, and earning less at present than the majority of those for whom it has been proposed to provide a pension.

It was evident that Mr. H. W. Wolff's paper on Credit Banks had not received that pre-consideration from both delegates and officials that it deserved. The typical speeches on the superiority of English co-operative institutions, and the absence of any necessity to learn from foreigners, were duly made, and the claim was put forward that the ordinary retail store covered the whole ground. The English co-operators' special interpretation of the word "credit" also proved

a stumbling-block, and was largely responsible for the somewhat indifferent reception of this paper. Still, many delegates approached the subject with an open mind, and could see that the banks might prove a valuable adjunct to existing co-operative institutions, by enabling poorer members to participate more fully than is now possible in the advantages offered by the stores. The store terms are ready money. The person who has not always ready money must go into debt elsewhere. The credit bank by a loan would obviate this, and enable needy persons to become loyal and profitable store members. Again, if co-operation is to be successfully applied to agriculture, these banks will be essential to the co-operative agriculturists for the co-operative purchase of seeds, manures, and implements.

All true friends of the agricultural labourer will heartily approve in principle of the proposal to apply co-operative methods to agriculture, but it may be questioned whether the plan proposed by Mr. J. C. Gray is the best or the most practicable. The highly centralized Wholesale, which Mr. Gray proposes shall become the landlord, might, by virtue of its accumulated resources, set up and keep going a system of co-operative agriculture, in which societies shall become its tenants and look to it for guidance ; but it would seem reasonable to expect that machinery of a lighter construction, and of a more highly specialized character, though still having behind it the forces of the whole movement, might be devised for the purpose, and undertake the work with better prospects of ultimate success.

The paper contained a timely reference to the need for the co-operative missionary in country districts ; thereby strongly emphasizing the assertion that the time has arrived for the organization of a body of properly qualified co-operative teachers. When this need has been met, then, and not till then, will many existing hindrances to progress be removed, and the cry of the chairman of Congress, "There are none coming forward to take our places," be no more heard in the land.

W. H. WATKINS.

LA LIGUE DU COIN DE TERRE ET DU FOYER INSAISISABLES.¹—
It was in Belgium that Utopia was first heard of, and in Belgium, it would seem, Utopia has really come into existence—as Messrs. Gilbert & Sullivan foretold, "Utopia limited." While it remains limited it may, and probably will, remain Utopia—a commonwealth of peace, hope, and labour in a somewhat restless little State.

The documents of its constitution are to hand in the pamphlets of the "Ligue du Coin de Terre"—leaflets written by its founder, the

¹ 66, Rue de la Commune, Saint-Josse-ten-Noode, Bruxelles.

Abbé Gruel, with that sunny gracefulness and charm which seems the particular heritage of French ecclesiastical prose. The "League of the Plot of Land" is composed of donors of £4 and subscribers of 10s.; with these contributions land is rented at about £3 15s. an acre in Brussels (less in the small towns), and made over in lots of about one-tenth of an acre to respectable working men, who are to draw from it a *vegetable* subsistence for their families. After the example of the market gardeners round Paris, they are expected to get the value of nearly £6 per annum out of each little plot; and thus, as the prospectus sets forth to intending subscribers, "for 10s. a year you may procure to a poor family the enjoyment of £6!"

This is the sentence which marks the scheme as Utopian, founded though it is upon attained results. The labourers who have obtained so high a profit from their scrap of garden ground are, no doubt, of the *élite*—men of skill and self-restraint, thoroughly deserving of the help thus held out to them, but not average representatives of the great mass of labour which the venerable Abbé Gruel hopes, by means of "*bienfaisance en terre*," to regenerate. As an admirable method of beneficence pure and simple, the League has already won members in two districts of France.

THEODORA NUNNS.

"PROGRESSIVE PHILANTHROPY."¹—The clear and interesting style in which this Report is written gives it a value beyond the statistics and details of the work of the New York Association for Improving the Condition of the Poor. It often happens that valuable work obtains little notice, owing to the dull and uninteresting manner in which it is presented to the public; but that is not the case with this Report. Details are given of representative cases which show that every sort of applicant is considered eligible for the help of the association, though, of course, there are ample regulations to prevent the "professional beggar" from imposing upon the funds of the association. The work of Hartley House should be of great social service. It is a "home-keeping" school for poor girls, but has other branches, such as "Friendly Visitings" and "Summer Outings."

There is a spirit of hopefulness throughout this Report which is eminently healthy, and goes to prove that good work is really being done by the association. On the last page there is a chronological list of "milestones in improvement" from 1843 to 1897, which gives definite reasons for this hopefulness.

W. M. MAMMATT.

¹ *Fifty-fourth Annual Report of the New York Association for Improving the Condition of the Poor.* [197 pp. 8vo. New York, 1897.]

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

THE volume of public general Acts of Parliament for 1898 is a remarkably small one, and the portion of it which may be considered as strictly economic is a small part of the whole. The *Mussels, Periwinkles, and Cockles (Ireland) Act*, 1898 (61 & 62 Vict. ch. 28, 2 pp., $\frac{1}{2}d.$), which extends certain powers of the inspectors of Irish Fisheries, and such-like trifles, are doubtless useful, but are scarcely of a character to excite much interest in the minds of the readers of the *Economic Review*.

Of Reports of Committees and Commissions, the first is the *Report of the Committee on Old Age Pensions* (Command Paper 8911, fol., 210 pp., 1s. 9d.). At the first sight this appears disappointing in the extreme to all except the uncompromising opponents of State pensions in every shape and form. The Friendly Society witnesses are very feeble. They bring up the crudest schemes, and then, when confronted with obvious difficulties, declare that Parliament or the Government must find a way of overcoming them, or else that they did not expect to be asked such awkward questions. Moreover, a committee on old age pensions without Mr. Charles Booth either as member of the committee or witness, is very like Hamlet without the Prince of Denmark. For this, of course, the terms of reference were responsible. A committee appointed "to consider any schemes which may be submitted to them for encouraging the industrial population, by State aid or otherwise, to make provision for old age, and to report whether they can recommend the adoption of any proposals of the kind," were obviously precluded from considering the communist plan of Mr. Booth, under which the provision for old age is made by the whole community, and not merely by that section of it which it is the fashion to call the "industrial population." They held, too, that the use of the word "encouraging" precluded them from considering any scheme of compulsory insurance. That they would be unable to recommend any scheme was consequently a foregone conclusion, and the only wonder is that this was not apparently realized by those who were responsible for their appointment. It would be useless to follow the Report

through the fifty paragraphs in which it riddles the various schemes put before the Committee. The gigantic difficulties of detail which the authors of those schemes have overlooked, might conceivably be surmounted, but there is no possibility of getting over the fact that the conscience of the community will never tolerate any really large scheme which leaves out in the cold the class which no amount of mere "encouragement" will enable to provide for old age. True it is that the public does at present pay a man who deposits £100 in the Post-Office about 10s. per annum more than it receives on the £100 invested in the purchase of consols, but this is only because the fact is so carefully concealed by the Post-Office officials that the Secretary himself does not appear to realize it (see Qq. 2802-2805). The abuse has grown up gradually unnoticed. A new scheme to be worked on such principles would have no chance of acceptance.

"Any pension scheme," say the Committee, "coming within the terms of our reference would be limited to a comparatively small section of the community, and we are thus face to face with a very serious difficulty. We can hardly, for the benefit of so limited a section of the community, recommend the Government to establish a pension system which must be extremely difficult and costly to administer, which excludes the really destitute and those who, owing to broken health and misfortune, or want of employment, or a lower rate of wage-earning, can make no contribution, and which would be open to innumerable fraudulent claims difficult, often impossible, to detect."

It is to be regretted that in paragraphs 62 and 63 the Committee have embraced the economic heresy that possession of an income from other sources reduces the wages of the worker by enabling him to take less. It is, of course, true that certain occupations carried on chiefly by people with other sources of income, are poorly paid, but this is only the consequence of the fact that the number of persons ready to adopt such occupations is large. The number of old people in any particular occupation, on the other hand, would not be seriously increased by the grant of State pensions. The assumption that the wages of the worker throughout life are determined by his necessities, is, of course, nothing but the old subsistence theory exploded a century ago. Such lapses must be expected so long as the Government persists in its policy of never putting an economist upon a committee or commission which has to deal with economic subjects.

The *Report from the Select Committee of the House of Commons on Telephones* (Commons Paper, No. 383, fol., 13 pp., 2d.) is a most uncompromising document. The Committee begin by answering the question "Is the telephone service now, or is it calculated" (such is

Parliamentary English) "to become of general benefit?" with a decided negative both as to the present and the future, at any rate as far as 1911. The telephone service "is not at present of general benefit, either in the United Kingdom at large, or even in those limited portions of it where exchanges exist," and it "is not likely to become of general benefit, either in the country as a whole, or in existing or future exchange areas so long as the present practical monopoly in the hands of a private company shall continue." Then, forgetful that they have given an unqualified denial of general benefit, they proceed to allege *more* general benefit in other countries, and to infer from this that the telephone "is fitted to become in this country, if worked solely or mainly with a view to the public interest, a valuable instrument in further developing the trade and social life of the nation, towards which new means of communication have always hitherto so largely contributed." These somewhat illogical remarks will doubtless give great comfort to the dissatisfied customers of the National Telephone Company, but the next paragraphs will be a disagreeable surprise to them. They condemn in the most decided manner the whole system of a fixed annual subscription for unlimited use. Mr. Gaine, the general manager of the company, seems to have admitted that the system was wrong, and the right system appears to the Committee to be the Swiss one, which is thus described :—

"Messages can be sent by non-subscribers from call offices and delivered to non-subscribers by express messengers; but in addition to this, just as some persons in this country hire private telegraph wires to connect them with the general telegraph service, and thus avoid the necessity of delivering messages at or receiving them from a telegraph office, so persons who wish to save the journey to a call office to despatch a telephone message, or to receive it direct instead of by a written message, can secure a private telephone in their house or office on payment of (after two years) £1 12s. For all messages actually sent, subscribers and the public alike pay the same fixed toll, smaller if the message is a local one, larger if it travels over the trunk wire, the price for all distances over trunk wires being in Switzerland the same. Each message sent by a subscriber is numbered, and an account against him is kept. It follows under this system that every telephone can be used by the general public, instead of being confined to the actual subscriber, with the result that in many towns every shop or place of business which has a telephone becomes in practice a public call office."

The Committee admit that this plan "would, of course, be opposed by the subscribers on the existing system, who at present almost

monopolize the service and pay a small price for the large number of messages they can send." However, the subscribers had better make peace with their enemy while they are in the way with him, for, in order to recoup the expenditure before the expiration of its licence in 1911, "the present high rates of the company may soon be still further raised," and the usefulness of being a subscriber is likely to be reduced after 1904, or earlier, by a refusal to take on any new subscribers. After thus endeavouring to terrify the subscribers, the Committee return to the attack on the company, and rub a sore place by pointing out the difficulty it has in acquiring underground way-leaves and the precarious nature of its tenure of its overhead way-leaves. The conclusion from all this is, that competition must be introduced by the Post Office either working a competing system itself or licensing local authorities to do so. The agreements between the Post Office and the National Telephone Company do not take away the liberty of the Post Office to take either course. The Committee think that "a really efficient Post-Office service" affords the best means of securing that "general, immediate, and effective competition" which they consider necessary, and suggest that it should be "conducted under strictly businesslike conditions, and by a staff specially qualified for such a duty." But if the Post Office is unwilling to serve any district itself, and the local authority (or principal local authority) of the district is desirous of doing so, a licence should be granted. Such licences should require double wires and equality of treatment to all alike, provide for the payment of the 10 per cent. royalty to the Post Office, prescribe a maximum rate, and at the same time preclude the possibility of any profit being made in aid of local rates, so that (though the Committee do not make this remark) the ratepayers as such may lose and cannot gain by taking up this risky business, and will, therefore, be reluctant to do so. No licence to a municipality should run beyond 1911, and, to prevent the shortness of the licence being an insuperable obstacle, it is suggested that the Post Office should bind itself to acquire at the plant value so much of the lines and buildings as it might consider suitable for the requirements of a service carried on by itself. Where such a promise is given to the local authority, it will have to be given also to the National Telephone Company with regard to works in the same area.

It is safe to say that this Report will please neither the Telephone Company, the Post Office, the municipalities, nor the telephone subscribers. The company cannot be expected to enjoy the prospect of competition in Glasgow, Edinburgh, and other presumably most profitable areas. The Post Office will not relish the idea either of

carrying on a hopeless competition with the company itself, or of having a violent fight with a number of powerful municipalities in 1911. The municipalities are scarcely likely to desire to increase the rates by several pence in the pound for the sake of popularizing the telephone. The present subscribers will be horrified at the idea of payment per message, and of messages dictated through the telephone to telephone clerks, to say nothing of the proposed enormous increase in the number of people who can get at them through the wire. The Committee only appeal to the potential consumer : the consumer is a poor creature enough to rely on, but infinitely more powerful and energetic than the merely potential consumer, who has never tasted the sweets of enjoyment of the commodity in question. It is probable, therefore, that the Post Office will be able to continue its present policy of fattening the company in order that it may have a richer feast when the time for slaughtering arrives in 1911. Government departments have few virtues, but patience is certainly one of those which they possess.

The *Report of the Joint Committee of Lords and Commons on Electrical Energy (Generating Stations and Supply)* (Commons Paper, No. 213, fol., 180 pp., 1s. 6d.) deals with another department of public works or services which is becoming too large to fit into the small and often badly arranged areas of English boroughs and urban districts. If private individuals are prepared to supply electrical energy from a common source to a large district comprising dozens of boroughs and urban districts—a thing which the boroughs and urban districts have never thought of doing for themselves—are they to be granted by Parliament the necessary use of the public highways for the purpose of laying pipes and wires, and, if so, are they to be treated like water companies, or like gas companies, or like tramway companies, or on some other principle? Such is the principal question before the Committee. It can scarcely be said to have been answered. The Committee were, of course, in favour of granting the necessary facilities for these large and widespread enterprises, but they were apparently unable to lay down any principle as to their relationship to the local authorities. They were content to say that the question whether the local authorities should be given a power of purchase (as now in the case of tramways), should be dealt with on the merits of each case, the power being granted only when the local authority can show good cause for the grant, and that in other cases a sliding scale of prices (as now in the case of gasworks) should be fixed. The Bill which led to the appointment of the Committee, was hung up, to use the Parliamentary phrase, till next session, and there will doubtless be

considerable debate over the merits of the particular case covered by it.

The Foreign Office *Reports on Legislative Measures respecting Gambling in Options and Future Contracts* (F. O. Commercial, No. 5, 1898, 8vo, 26 pp., 3d.) would be more interesting if less out of date. It is somewhat annoying to be reading in the middle of 1898 that in May, 1897, it was considered very probable that the abolition of the new German law against this species of business would eventually be sought for by the very persons who urged its adoption.

The *Correspondence relating to the Conference at Brussels on the Question of the Sugar Bounties* (F. O. Commercial, No. 6, 1898, 8vo, 113 pp., 11*½*d.) indicates that Austria, Hungary, Germany, Belgium, and Holland now all desire the complete abolition of the bounties. France and Russia, however, though apparently desirous that other countries should abolish their bounties, are not ready to part with their own. Should the system disappear, as it probably will in a few years, the English economist will feel regret from a selfishly patriotic point of view. From a cosmopolitan point of view he will rejoice, though it will be unpleasant to think that the abolition was carried out by protectionists on protectionist grounds.

The *Correspondence relative to a Contract for the Sale of the Government Railway of Newfoundland and for other Purposes* (C. 8867, fol., 42 pp., 5d.) shows how thoroughly this country has carried out the policy of allowing the colonies to do what they please. For this was Mr. Chamberlain's opinion on the matter in question :—

"Under this contract and the earlier one of 1893 for the construction of the railway, practically all the Crown lands of any value become, with full rights to all minerals, the freehold property of a single individual, the whole of the railways are transferred to him, the telegraphs, the postal service, and the local sea communications, as well as the property in the dock at St. John's. Such an abdication by a Government of some of its most important functions is without parallel.

"The colony is divested for ever of any control over or power of influencing its own development, and of any direct interest in or direct benefit from that development. It will not even have the guarantee for efficiency and improvement afforded by competition, which would tend to minimize the danger of leaving such services in the hands of private individuals."

Yet he felt himself obliged by constitutional usage to order the reluctant Governor to assent to the legislation for giving effect to this contract.

The Government of Newfoundland appears to have fallen into the

hands of a branch of the Liberty and Property Defence League. It has arrived at the "opinion based upon observation and experience"—apparently the experience of Newfoundland—"that the operation of such public services" as those performed by means of railways, telegraphs, dry docks, and mail steamers, "by a Government tends inevitably to corruption and extravagance, to inefficiency and demoralization." It denies the accuracy of Mr. Chamberlain's account of the effect of the contract, and the correspondence is scarcely sufficient to enable the reader to decide between the two views; but wherever between the disputants the exact truth may lie, it is plain that Newfoundland is likely, for some time at least, to afford an interesting example of economic despotism carried to the highest degree. The despot, Mr. Reid, is already, as Mr. Chamberlain bluntly remarks, "advanced in years;" but the Government of Newfoundland look forward with equanimity to a transmission of his powers to his sons.

The Labour Department's *Report and Statistical Tables relating to Changes in Rates of Wages and Hours of Labour in the United Kingdom in 1897* (C. 8975, 8vo, 304 pp., 1s. 2*d.*) begins with a timely repetition of the explanation of the meaning of "a change in wages," as used in these Reports. It means a change in the sum of money paid for a full week's work at a particular kind or class of labour. Consequently the Reports take no account of changes in the total or average remuneration of the working classes which arise from more or fewer persons being employed, or from persons working short-time or overtime, or from an increased or diminished proportion of the whole number being employed at the better-paid kinds of labour.

That the total of change thus defined taking place in any particular year is very small must be obvious to the most casual observer of the facts of industry; but the Report proceeds to show what is perhaps a little surprising—that the changes in each particular kind of industry affect a very small proportion of the whole number of persons employed in it. The only exception is in mining, and even there the highest proportion affected in any one year was only 64·2 per cent. In the metal, engineering, and shipbuilding group the proportion affected was 23·4 in 1896; in agricultural labour it was 15·8 in 1895; and in the building trades it was 10·8 in 1896; in all the other years it was less in these groups, and in none of the other six groups has the percentage attained the dignity of double figures in any of the years.

In 1897 weekly wages were raised in classes of labour employing 560,707 persons, and reduced in classes employing 13,855. The period over which the Reports extend now shows a balance on the right side—a fact to be explained away by those who now, like their predecessors

in the time of Adam Smith, maintain that the country is going fast to ruin. Agricultural labourers, railway servants, and seamen are not included in these figures. The wages of seamen and agricultural labourers rose somewhat, but the figures for agricultural labour appear highly conjectural. In the case of railway servants, owing to the variety of the work and gradation of ranks, the Labour Department finds it impossible to apply its definition of a change in wages, and contents itself with reporting an increase of earnings.

The hours of labour per week continued to be reduced, and though the number of persons affected was not so large as in 1896, the total reduction was much greater, owing to the fact that 5000 Cleveland blast furnace men had their hours reduced by no less than 28 hours per week.

Mr. John Burns has moved for and obtained a *Return showing in respect of each Urban District whether the Contracts entered into by the Authority for the Execution of Works specify any Conditions as to the Wages to be paid by the Contractor, or other Conditions with respect to the Persons employed, and, if so, what are the Conditions.* (Commons Paper, 1898, No. 47, fol., 9 pp., 2½d.). Most of the larger and many of the smaller towns put in the contracts an undertaking that the current or standard rate of wages in the district shall be paid. Very few of them guard the clause with any effective penalty, and it must generally be nothing but a pious kind of warning that no sweepers need apply. In many cases no penalty at all is specified; in many others it simply amounts to the sum which the contractor is proved to have saved off his wages bill. Newcastle, Croydon, Birkenhead, Preston, Great Yarmouth, St. Helens, and Reading are among the larger places which have not pronounced the shibboleth.

EDWIN CANNAN.

REVIEWS.

ARISTOCRACY AND EVOLUTION : A Study of the Rights, the Origin, and the Social Functions of the Wealthier Classes.
By W. H. MALLOCK. [xxxiii., 380 pp. 8vo. 12*s.* 6*d.* Black. London, 1898.]

Mr. Mallock's new book is somewhat disappointing. It hardly seems necessary to write 380 pages to prove a thesis which, after all, is a truism now recognized, according to Mr. Mallock, even by the Socialist (p. 170), the thesis being, to put it broadly, that talent and genius are of considerable importance and value. We miss, too, in our author that sense of sympathy with humanity which is so important for any writer on sociological matters. Nothing but harm can result from such an injudicious sentence as the following : "Socialism, therefore, so far as it is a serious theory, is essentially an attempt, on the part of men who are themselves economically impotent, to prove that they and others like them have some reasonable right to possess and divide amongst themselves what they are constitutionally powerless to make for themselves" (p. 343); i.e., to put it briefly, Socialists are would-be robbers. But this is mere abuse ; or, at any rate, so far as it is an argument, it is one which recoils on our author and all others who are not directly concerned in Production. It is of no use to accuse your opponents of having a double dose of original sin. Socialists, of course, like other men, are not perfect ; but in a writer on sociological matters, we expect more searching criticism than this. He ought to draw distinctions between different portions of the Socialistic programme ; he ought to point out the elements of truth which lie in such theories, and show that this reform is admissible, while that other is not. But Mr. Mallock lumps all Socialistic views together—gives his dog a bad name, and hangs it. Is it not the fairer method to weigh the different parts separately in the scale of truth ? To those parts of a socialistic scheme in which Free Love, or the destruction of the family, are advocated, all Christians will reply with an absolute and unqualified *non-possumus*, on this ground among others, that the family is the true nursery-ground of all those virtues which are essential to national well-being, whereas the hideous evils

incidental to the capitalistic system show that it at any rate is far from ideal, and we would sympathetically though critically examine any proposals for the nationalization of the means of production which promised to remove these evils. This Mr. Mallock does not do.

Mr. Mallock has still a great deal to learn from the *Politics* of Aristotle. He has not grasped the essential meaning of the words ἀνθρώπος πολιτικὸν ζῆν. The debt that every single man owes to society is so overwhelming that he cannot possibly claim or have a right to anything which is inimical to the interests of his society as a whole. On the material side this is obvious : every loaf he eats is the product of sowers, reapers, miners, ironworkers, policemen, shopkeepers, etc. ; and on the moral and spiritual sides it is no less true ; he is saturated throughout with thoughts and feelings that he has derived from others, and if you take away from him all that he has received from external sources, the residuum will not be anything that deserves the name of "man." The "great" man is, then, a most important person, but his justification must be "social." He must not put forward any claims incompatible with the good of society. Now, according to Mr. Mallock (bk. i., ch. iii.), the truth that man is indebted to his environment "may be of value to biologists, psychologists, and speculative philosophers, but has no relation whatever to practical life." This is a most extraordinary statement, especially as Mr. Mallock forgets his jeers at Mr. Webb, and himself tells us, on p. 340, that "the men who fail only because others succeed better than they do, contribute to the very success of the men by whom they are defeated." But the fallacy of the argument into which Mr. Mallock falls on p. 76 is patent to a mere novice in political economy. He is attacking the following sentence of Mr. Bellamy : "Nine Hundred and Ninety-nine Parts out of the thousand of every man's produce are the result of his inheritance and his environment ;" and proceeds to argue that, if this is true of each single individual, it must be true of the whole body of workers, and that therefore "the whole of the living population might at any given moment stop work altogether, or fall into a trance like the Seven Sleepers of Ephesus, and the production would continue with hardly an appreciable diminution." This presumably means that $\frac{999}{1000}$ ths of the original amount would be produced without work. But the argument is totally vicious. One would think that Mr. Mallock had never heard of the Division of Labour. Mr. Bellamy is, of course, not talking of a real man who is working in co-operation with others as a social unit, but of the "atomic" man, considered in abstraction from his environment. And his words, *in principle*, are perfectly true. But Mr. Mallock goes on to argue as though we were

talking of a real man working in economic co-operation with others. By this kind of argument we can, indeed, prove marvels. Let us take for an instance the case of pin-making ; and, first of all, let us suppose that where division of labour is employed, twenty pins per man can be produced a minute ; and secondly, that where there is no division of labour, one pin only is produced per man in a minute. Is it not obvious that $\frac{1}{20}$ ths of the pins produced in the first case are due to social co-operation ? Yet it does not follow that these $\frac{1}{20}$ ths would still continue to be produced if all the workmen stopped work completely, though Mr. Mallock seems to think this would be the logical conclusion from our premises.

The rest of the book, from pressure of space, must be surveyed more rapidly. The thesis of chap. i., that speculative sociology ought to deal merely with the phenomena of social aggregates, whereas practical sociology ought to deal merely with the phenomena arising from conflicts between different parts of aggregates, seems valueless. Everything is at once an aggregate and part of an aggregate, if we except at the one end of the scale the whole of humanity past, present, and future ; at the other, the individual man.

The definition of Evolution (p. 97) as "the reasonable sequence of the unintended," is rather an insult to a scientific word, which in its strict biological sense means simply the development of an undifferentiated homogeneous mass into a differentiated heterogeneous mass. Secondly, it is a good old rule for definition that the defined and its definition should be convertible. But the reasonable sequence of the unintended is not always evolution. If I fire a cartridge into a ditch full of hay, and accidentally kill a man who is lying beneath the hay, this is surely a reasonable sequence of the unintended ; but it can hardly by any reasonable system of nomenclature be called "evolution." Lastly, almost every action is, from one point of view, intended, and from another unintended (p. 102) ; and hence the definition does not seem very important.

From bk. ii., ch. iv., we can get no clear and consistent view. Thus we are told that "the extremest democratic reformer, no less than the aristocrat or the strict upholder of autocracy, admits that satisfactory governors must be great men" (p. 176) ; and remember that, according to previous definition, the "great" man is he who organizes others and impresses his views on them. On p. 180 we are told that "governors in an ideal democracy would necessarily be exceptional only for such qualities as practical activity and a quick apprehension of the wishes of other people, which would enable them to do what their many-headed master bade them." On p. 190, Mr. Mallock wavers

between the two views ; but if the great man in a democracy is merely passive, it is merely by an accident of language that the word "great" can be applied to the "big" men alike in democracy, aristocracy, and autocracy, in the way that Mr. Mallock applies it on p. 176. Mr. Mallock may be referred to his own words on p. 251 : "In any discussion that aims at scientific precision, it is necessary to give to the principal terms used a far more definite meaning than is given to them when used ordinarily. This observation, as the reader will readily perceive, has a special application to our use of the term 'great men.' The greatness of the great men is to be measured by its overt results, and its overt results consist of, not what he does in his own person, but what he makes others do." Again, it is surely unwise to assert that competition is present in autocracies no less than in democracies ; for, though autocracy is tempered by assassination, the succession to the vacant throne is generally determined, as in Russia, not by ability, but by hereditary descent.

Mr. Mallock's views on Democracy are most depressing. He never seems to think of democracy as the great educator or trainer in political intelligence. "The only essential point of difference between the most extreme democracy and its opposites lies in the theory of the powers which election communicates to those elected." This is not very well expressed, but its meaning is presently explained when Mr. Mallock says that in an aristocracy the rulers are expected to follow their own judgment, whereas, in a democracy, their function is only to grasp and articulate the wishes of the electors. Of the educating power of democracy,—of the truth against which autocracy so often sins, that ends ought not to be pursued in abstraction from the means taken to secure them, Mr. Mallock has no conception. Strafford's aim in his government of Ireland was noble. He wished to raise Ireland to the level of England, materially, morally, and spiritually, but he did not carry the people of Ireland with him : he pursued his end, as an autocrat, with no regard for the cherished views of Irishmen. *They* may have been stupid, and Strafford wise in his views, but if he had educated the people, and, in making concession to their prejudices, had only carried them half the way along the path he had devised, his work would have been wiser and more permanent. There is more difference between autocracy and democracy than one would gather from *Aristocracy and Evolution*. And it does strike one as quaint to choose out the "family" and the "Roman Church," as instances of the democratic principle, since these two are, though for different reasons, the most essentially aristocratic of all institutions, the theory being in either case that the many are ruled by the (supposed) wiser

few. Nor does it seem adequate to find the essence of democratic action in a "natural" or "spontaneous" coincidence of conclusions.

Next, let us take the subject of Education. It is here that the views of Mr. Mallock would be most pernicious if realized in practice. He declares that our present educational theories (as presumably our practice also) have two fundamental faults. (1) "They are in danger of developing wants in the average man which could never be generally satisfied under any social arrangements ;" and again, "The average man is not made better or happier¹ by being filled in early life with importunate wants and propensities, which he will, when he comes to maturity, be unable to gratify" (p. 345). The logical conclusion from this would be the following practical maxims :—Give your future working classes the very minimum of intellectual training ; keep them grovelling on the ground, like beasts that perish, and never teach them to look upward ; do not enlarge their horizon. But let Mr. Mallock consider that even from the economic point of view the workman who has had an intellectual training is more valuable, since he is more intelligent (see any handbook to Political Economy)—it is largely their superior educational system which has brought Scotchmen to the front during the last fifty years—and secondly, it is ruinous to the true well-being of a society that any of its members should merely be unconscious engines for production, and have none of the higher life which God intended that they, as differentiated from the beasts, should have. Even if the acquisition of fresh wants should make them less happy, far better so than that they should remain in the sty described by Mr. Mallock. A religious dissatisfaction with the present is the ground of all true progress.

(2) The second danger that our author finds in modern education is expressed in the following words : "There is a danger of developing the talents of a certain class of exceptional men, which are naturally incomplete, and which, the more fully they were developed, would only become mischievous both to their possessors and to society" (p. 345). "There is a large amount of really exceptional talent, which if developed would work nothing but mischief, and which *ought consequently for the sake of everybody to be suppressed*"² (p. 347). Mr. Mallock, on p. 342, has already explained that it is the "exceptional" but "warped" talent of the men with socialistic views which is the

¹ It is not advisable to put these two words "better," "happier," together, as though they were synonyms. Mr. Mallock's motto for workmen seems to be, "Where ignorance is bliss, 'tis folly to be wise." But an enlightened conscience would surely wish to grasp the truth, and know verities, however keen the pain involved both in the process and the result.

² The italics are mine.

commonest example of the talent that is wholly mischievous ; of which the education, therefore, should be wholly suppressed. I fancy that we have heard of something of this sort being proposed in Germany lately, and we may remember the laughter and jeers that the proposal excited in England. Could there be an act of greater tyranny than to suppress the propagation of views we do not personally like ? Such a suppression could only be justified by circumstances of the greatest national emergency ; otherwise we believe in the fullest freedom of discussion, and the struggle of ideas with each other, confident that the most adequate ideas will be victorious. For Mr. Mallock's plan would simply mean the suppression of teaching that was personally distasteful to some of us : no one of us is possessed of absolute reason ; and even if we were, to crush in their birth speculative views, however false, is most unwise. It is always best to let our opponents have their say, and so get rid of their superfluous steam.

But I must hurry on, ignoring many details in the argument on which I might touch. The defence of rights of bequest is far from conclusive. But let us pass that by, and also defer to a more convenient season any consideration of what true "greatness" really does consist in. Let us confine ourselves merely to the man who is economically "great," reminding Mr. Mallock the while that, though we cordially recognize the supreme economic importance of the great organizer of industry, many fortunes are made by lucky speculators or cornerers of the market, who have done nothing like the great organizers of trade that would justify them in their claim of absorbing such a large amount of wealth. I must protest, also, against the argument which Mr. Mallock elaborates—that if AB is followed by X, and if, when the antecedent A is removed, X disappears, therefore A causes X. The argument only proves that A has got something to do with producing X. Mill, in this case, is not wrong, as Mr. Mallock asserts, though it is a truth which was forgotten at times by Mill himself, and vitiates Mill's second inductive method. The great man does not produce the increment that would not be produced by labour, if his own labour ceased ; but the increment is due to the *combined* efforts of the great man and the labourers : the employer is economically altogether impotent if there is a complete cessation of labour, as Lord Penrhyn learnt to his cost not long ago. Finally, agreeing as we do with Mr. Mallock, that the great organizer of labour is a most important person, and that it is most necessary for the community to retain his services, what motives will induce him to put forth all his powers ? for—as Mr. Mallock admirably says—"it will, of course, be to the interest of the community to secure this result by offering the great man the smallest and least

costly reward, the desire of which will induce him to develop and exert himself to the utmost" (p. 280). Mr. Mallock is of opinion that the only reward which will induce the great business man to put forth all his powers is the acquisition of all the material wealth he can. He is of opinion that such motives as the pleasure of excelling, the joy in creative work, and social honour would not attain the desired end. Now what shall we, as Christians, say to this? Our answer must be given from two sides. As individual Christians we ought to dread the acquisition of vast amounts of wealth. There is no matter on which our Lord has spoken with greater emphasis or decisiveness. "Sell all that thou hast and give to the poor." "The cares of this world and the deceitfulness of riches choke the word." "How hardly shall they that are rich enter into the kingdom of heaven!" And it is as true to-day as ever, that the possession of wealth is a hindrance to the spiritual life. Hence we ought to preach, in season and out of season, that it is the duty of rich men to give up their wealth for the service of God and their fellow-men. But this is a very different thing from saying that the State should enforce by law that every man should earn equal or nearly equal sums. Such a law, in the present condition of human nature, would totally defeat its own object, which is presumably the increased welfare of the so-called labouring classes. For it is a truth which cannot be too strongly emphasized, that it is the unskilled, and not the skilled employer who does harm to the workers; and if rewards were made equal, this *would* involve the sad result that skilled men would often not exert their full powers, and the working classes would suffer.

In this review I am conscious of having dwelt chiefly on those points in which I differ from Mr. Mallock, but there is much in the book with which I heartily agree. I am inclined to think that the best part of it is that in which he illustrates the nature of the really great man, and points out that the changes produced by Natural Selection are slow in their working and unimportant, when compared with the changes inaugurated by the great man. He has a high opinion of the great man as a real creative power which is not simply determined by climate and other elements in physical causation.

M. W. PATTERSON.

STUDIES IN CURRENCY, 1898; or, Inquiries into Certain Modern Problems connected with the Standard of Value and the Media of Exchange. By the RIGHT HON. LORD FARRER. [xxiii., 415 pp. 8vo. Macmillan. London, 1898.]

Lord Farrer does not explain, and it is difficult to understand why he has introduced the date 1898 into the title of his book, and actually

printed it at the top of every left-hand page. It would have been much more convenient to his readers if he had printed at the top of the page the date of the original publication of each of the "inquiries" which are now republished, and which spread over a period of ten years. Five of them are Gold Standard Defence Association pamphlets, and the longest is "What do we pay with ? or, Gold, Credit, and Prices," which was originally written presumably about 1887 for the Gold and Silver Commission. The others are garnered from the *Times*, *National Review*, and other sources. With them all before us it is easy to get a fairly comprehensive view of Lord Farrer's views on currency.

The first thing that will strike the economist is that, while Lord Farrer has a great deal to say (and much of it quite true and important) about the question whether gold has risen or fallen, he has not really any very definite idea of the standard by which this rise or fall is to be ascertained or measured. The bimetallists have a perfectly definite measure—a list of certain commodities and the index number resulting therefrom ; it is a poor thing, but it is their own, and there is no doubt about its nature. Lord Farrer at one time (p. 298), instead of rejecting this standard utterly, seems desirous merely of amending it by plastering on to it first "retail prices," secondly "prices of immovables," and lastly "the prices of labour and of service, in other words, wages and salaries." This is a strange hotch-potch. In the first place, it is tenable, or at least arguable, that the value of gold should be measured by wholesale or by retail prices, but certainly it is not necessary or desirable to put both into the standard. If you put in bread you must omit wheat, and so on. Secondly, the price of land and houses is already included either in wholesale or retail prices, inasmuch as a house is a commodity produced and sold retail, and, if rent is meant, the "price of land" is merely the price paid for the net produce for one year. If the purchase price is meant, it is merely the rent multiplied by the ratio which principal bears to interest, a thing which has nothing to do with prices. Thirdly, the price of labour is merely one of what Adam Smith calls the component parts of the price of commodities ; and what a jumble it is to put into the standard first the price of bread, and then the price of wheat, and then the price of the labour which produced the wheat and the bread ! A little further on, having warmed to his subject, Lord Farrer seems inclined to throw over all prices except that of labour, and to uphold as the "ideal standard of value" a "fixed quantity of human labour." In other words, so long as £1 remains the wages of, say, a fifty-hour week, the value of gold is to be considered unaltered, no matter what the week's labour produces or what the pound will buy. To some

ears this may perhaps sound plausible when only a single country is thought of ; but awkward questions arise when we compare the earnings of the fixed quantity of labour in England, America, and India, and endeavour to apply the rule when the comparative efficiency of labour in the three countries alters. Are the present differences of the earnings to be stereotyped for all time, or are the Englishman's to be the unvarying standard ; and, if so, why ? There are really no good grounds for abandoning the view of the ordinary economist, that money retains its value when every one can buy with an unchanged income as much as he could before, and no more. This is, of course, a case which never occurs exactly. In actual life some will be able to buy more and some less, and the question to answer is whether the more preponderates over the less. When Lord Farrer glories in the fact that the English workman's unchanged money wages give him a reward "which, measured in the products he requires for use in life, is much larger than he formerly received," he admits that, at any rate to the most numerous portion of the English people, gold has appreciated.

If gold has appreciated both when measured by the arbitrary standard of the bimetallists and when regarded from the ordinary point of view, the next step we should naturally expect the gold standardist to take would be to prove either that the appreciation is not harmful (which might perhaps be done), or that bimetallism is not a possible remedy (which could certainly be done). For if the appreciation is harmful, and is still proceeding, and can be stopped by the adoption of bimetallism, it seems clear that (in the absence of countervailing disadvantages) we ought to adopt bimetallism, whatever may be the cause of the appreciation. Lord Farrer appears to hold the somewhat curious opinion that the appreciation must be harmful or beneficial, not according to the nature of its effect, but according to the nature of its cause. He is led into this error apparently simply by a misleading example, in which the different effects of a contract to exchange money against a single commodity—namely, apples—in the contingency of a rise in the value of money, and in that of a fall in the value of apples, are described. It does not appear to have struck him that if, instead of apples, he had made a very long list of "the products required for use in life," the difference in the effects of the contract would have ceased to exist. Having fallen into this stupendous error, Lord Farrer imagines that he can prove the appreciation to be harmless, by proving it to result from the supply of commodities other than gold having increased in proportion to the demand for them, rather than to the supply of gold having decreased in proportion to the

demand for it (or, which is the same thing, the demand for gold having increased in proportion to the supply of it).

In pursuit of this quite useless object, he endeavours to show that during the period in question gold has been in many ways less and less required. Admitting that he knows nothing about what is really the most important part of the problem—the demand for gold for use in the arts,—he is obliged to confine himself to the demand for gold money. Here the facts are dead against him. It is useless for him to enlarge on the enormous amount of exchanges effected without the use of gold. The question is not, “Does the transmission of gold from hand to hand take place now in a greater or smaller proportion of the total of exchanges than it did?” but, “Has the stock of gold required, or supposed to be required and actually kept, for purposes other than use in the arts increased?” The answer is that it has increased enormously. The Gold Standard Defence Association itself has published a pamphlet showing the hundreds of millions which the national banks have added to their stocks; and there does not seem the smallest reason to suppose that any large number of individuals keep less gold by them now than they did twenty or twenty-five years ago, while there is great reason to believe that a very large number of individuals rich enough to keep a little gold has been added to the population in that time. We all know, of course, that the city man, who never can see the wood for trees, imagines that the fact that in a very short period Russia has accumulated gold equal to three or four years' total supply from the mines shows that gold is plentiful. Just in the same way, it may be argued that the fact that Mr. Leiter was able to buy a great deal of wheat shows that wheat was plentiful during his operations. The city man says the additional stocks have been obtained “without difficulty.” By that he means that each £1 has been bought with one pound's worth of commodities at the price of the day. His idea of obtaining it “with difficulty” would be if he had to give a guinea's worth of commodities at the price of to-day for a sovereign. That even a city man should knowingly give a guinea's worth of commodities at the price of the day for a sovereign is, of course, an impossibility, and so he very often quite consistently argues that it is impossible that the sovereign can change in value even if half the gold in the world flew away to the moon, or if the inside of Snowdon should be found to be one vast nugget. Lord Farrer admits that a sovereign is not an invariable standard, and that a guinea's worth of commodities at the prices of some time ago must be given to purchase a sovereign to-day, so that he is precluded from adopting this argument in its crude form. All the same, it is at the basis of his long

disquisition on "What do we pay with?" which ends with the statement that the low rate of discount "affords a presumption that the fall in prices has not been due to a scarcity of gold." That disquisition also contains the surprising assertion that "no connection has yet been shown to exist between gold and prices other than that which is due to the operation of the gold reserve upon credit and of credit on prices." The reader rubs his eyes, and wonders how the price of gold was determined before there was any bank reserve and rate of discount and credit. He turns back Lord Farrer's own pages, and finds him describing clearly enough how the discoveries of Australian gold raised retail prices in Australia first, and then wholesale prices all over the world (p. 115). Obviously the "connection between gold" and "prices," i.e. the value of gold in other commodities, is just the same as the "connection between" tin or coal and the value of tin or coal in other commodities; and Lord Farrer knows it when the production of gold increases. He only cannot see it when the production decreases. "The history of the Australian and Californian supplies of gold gives us no help in determining how such a diminution would operate, for it is all but certain that it could not possibly operate by the same channels, though in an opposite direction, by which those supplies operated." Why this extraordinarily unscientific proposition? This is, of course, exactly the way in which it would operate. The gold-miners having less gold to give in exchange for commodities, give lower prices for them, and the value of gold is higher, just as that of tin or coal would be under similar circumstances. The economics of Robinson Crusoe have been discredited, but they are certainly preferable to the economics of Lombard Street, which have managed to obscure the connection between the production and the price of a particular mineral.

Most of Lord Farrer's heresies are derived from Mr. MacLeod, but he also refers to certain articles written by "able economists," whom a note explains to be "Messrs. W. Fowler, Marshall, Le Roy Beaulieu, Forsell Laughlin, David A. Wells, Edward Atkinson, and others." The words "and others" should obviously be transferred from the note to the text, after the words "able economists."

EDWIN CANNAN.

PRINCIPLES OF POLITICAL ECONOMY. By J. SHIELD NICHOLSON, M.A., D.Sc., Professor of Political Economy in the University of Edinburgh. [Vol. ii. 328 pp. 8vo. 12s. 6d. Black. London, 1897.]

The second volume of Professor Nicholson's work on political economy contains the third division of his subject, viz. Exchange;

thus he follows the more usual method, justified at some length by the late Professor Walker, of treating distribution under a separate heading from exchange. The present volume treats of Value ; of Rent, Wages, and Profits in relation to Value ; then of Money, Credit, Bimetallism, Interest ; and lastly of Foreign Trade ; while it also includes an appendix on Scottish Banking.

It is, however, open to dispute whether distribution is not best considered as subject to exchange, and not distinct from it. For this method brings out more clearly the ultimate object of production, and the dependence of the shares of the producers upon the desire for the product. Moreover, it obviates the necessity for repetition, as here, where rent, profits, and wages are again explained in relation to value, as they were formerly explained as shares in distribution. It is of more importance than is generally allowed to treat these questions of economics in their due proportion.

But—to pass on from this general question of arrangement to the author's treatment of the present subject—certain characteristics may be noticed, the first of these being the special prominence given to money as an economic factor. This first appears in the analysis of value, then in chapters dealing directly with money, and finally in those on foreign trade. On this point the author moves on different lines from those usually followed : he shows that money is not a mere superfluity, which can be set aside in dealing with problems of exchange, with examples drawn from the supposition that trade is carried on by direct barter ; but rather that money has its own unique place and special functions, which are too important to be dismissed as merely means of increasing the convenience and rapidity of exchange. For a long time the beginner has been warned in text-books on economics against confusing money with wealth, and in the force of this reaction Professor Nicholson considers that the importance of money has been under-estimated. As an example of this idea, he shows in great detail his reasons for examining foreign trade under the actual conditions of exchange by money, instead of following Mill's method. And it must be granted that the complexities of the subject cannot be entirely included under the barter illustration.

In the second place, Professor Nicholson departs from the usual course in his treatment of rent, and in his modification of the well-known maxim of modern economists that rent is not connected with price. Here, again, reaction from the unsatisfactory explanation of rent given by Adam Smith has partly obscured the truth. But the author does not make this matter wholly clear ; he deals chiefly with exceptional circumstances, such as the sudden diversion of land from

agricultural uses, and fails to bring the different factors clearly into relation with each other.

Free-trade, again, is not disposed of in the usual summary manner ; and this is one of the most interesting of the author's deductions. Foreign trade in general is dealt with at some length, and he goes on from point to point with great care, finally proving that, under certain possible conditions, foreign exchange may injure rather than benefit labour in any one country. This is, of course, not an argument against free-trade, but rather a warning against those doctrinaire arguments which ignore the complexities of actual conditions.

So far I have mentioned certain subjects which are here treated from a point of view more or less new, and in which the reader cannot fail to be enlightened and stimulated, even if not corrected. But there are other subjects on which the author follows more usual lines. This is, perhaps, to be lamented in his treatment of profits, for he contributes nothing to the solution of this old difficulty, and still leaves profits confused with interest, without even taking advantage of Professor Marshall's improved classification. This concerns distribution, so need not now be discussed. Bimetallism is not treated at great length, and the author does not take the position of a controversialist ; but his account is a fair and an exact one, and only at the close of it does he imply that a change of circumstances may possibly lead to its adoption by this country. He quotes Adam Smith's words calling free-trade an infeasible utopia, as if the present view of bimetallism were now obscured in the same way as free-trade was then. The conclusion is obvious, but it is fairly reached.

The subject of value is also treated much in the usual way, except that the technical terms are with advantage often avoided, and the functions of money, as we saw above, especially emphasized. Thus Professor Nicholson has only partly followed the old lines, and even then always in his own method. The volume contains much that is valuable ; it is evidently unsuited to beginners in the science, but it is always logical and profound.

There are certain general points which may suggest criticism. For instance, some subjects are far more completely dealt with than others ; in some cases a full historical sketch is given, while in others events are merely mentioned on the supposition that they are known. Again, the primary questions, such as value, are concisely explained, while certain applications of these theories are treated at disproportionate length, as in the cases of banking and foreign trade. It is also noticeable that the book is remarkably free from references to other economists, except that Mill is occasionally quoted ; and that though

the examples are most carefully drawn, ascending from simple to complex conditions, yet they fail sometimes in clearness, and are perhaps more baldly stated than is necessary.

These comments show the scope and method of the present volume, and it will be apparent that the reader's task is no light one, though it is worthy of achievement. Like its predecessor, the book is a monument of careful thought and close analysis of difficult economic questions. As such, it is intimately connected with practical life, and this is proved even by the fact which some may deplore, viz. that so much space is devoted to monetary questions.

M. W. WHELPTON.

PURE ECONOMICS. By Professor MAFFEO PANTALEONI. Translated by T. BOSTON BRUCE, of the Middle Temple, Barrister-at-Law. [307 pp. 8vo. 10s. net. Macmillan. London, 1898.]

Professor Pantaleoni defines the subject-matter of the branch of study that is known as "pure economics" as consisting of "the laws of wealth systematically deduced from the hypothesis that men are actuated exclusively by the desire to realize the fullest possible satisfaction of their wants with the least possible individual sacrifice." Every man, or every hedonically constituted man at any rate, it is said, regards labour as a pain, and, in so far as a man is perfectly hedonic—in other words, I suppose, perfectly rational—he is always to be regarded as aiming at obtaining the maximum of gratification with the least possible expenditure of labour. "Only these actions are economic," we are told, "which are due to the desire to rid one's self of pain or to lessen or avoid pain. . . . The *homo oeconomicus* is supposed therefore to be constantly occupied with the commensuration of sensations of pleasure and pain, present and prospective. . . . He must distribute the painful efforts requisite to the production of commodities, and the enjoyment he can derive from the latter, in such a way as to achieve on the whole the maximum of pleasure and the minimum of pain. . . . A hedonic, or egoistic calculus is thus effected," and in accordance with this calculus the course of life of the *homo oeconomicus* is alleged to be regulated.

If all this is true of the *homo oeconomicus*, the question arises—Where are we to look for him? We might find something like him, here and there, in a morbid valetudinarian, but to represent him as in the remotest degree corresponding to the type of the busy Englishman or American of to-day, who "sees all sights from pole to pole," who works as hard at his amusements as at his business, and who finds, indeed, as Mr. Bagehot remarks, in his business the most absorbing of all his amusements, is a glaring and patent absurdity.

This is the objection to the theory of pure economics as set forth by Professor Pantaleoni that, at first glance, will present itself to the unsophisticated reader. "If such is the foundation of your fancied science," he will be disposed to say, "what can one expect of the superstructure? The ground principle being in flagrant opposition to fact, the subsidiary laws professing to be based on it can surely not be other than fallacies." In that conclusion, however, he will find himself to some extent mistaken. The subsidiary principles of pure economics, he will discover, are indeed at fault, not so much in being fallacies—few, indeed, if any of them are so—but rather as in being, when expressed in ordinary language, too obviously self-evident to warrant the very elaborate treatment bestowed on them.

How, it will be asked, is this singular result arrived at? Simply in this way: that, when the pure economist says that labour is necessarily a pain and so on, he must not be taken as meaning the same thing as any one else would mean who used the same expression. Professor Pantaleoni himself impresses this principle of his scientific method upon us repeatedly and most emphatically. The economist, he says, "is NEVER¹ concerned to know the meaning attached to terms *in vulgar parlance*." He himself regards it as being the characteristic of his school, and, strangely enough, regards it as a commendable one, to "relinquish our search for the precise meaning of words in common use." By an "egoist," accordingly, he does not mean what is currently meant by other people as an egoist. A "tribal egoist," on the contrary, is an individual animated by what, in vulgar parlance, is known as altruism. A "commodity" gets far enough away from its popular application when we find that it must be taken to mean "the credit embodied in a bill of exchange, the vocal performance of a *prima donna*, and the resort of customers to a place of business." Then we have a "negative commodity" or a "discommodity." Timber, for instance, is usually a positive commodity, but a forest that has to be cleared away before the ground can be used for cultivation is a negative commodity. Who, but a pure economist, however, would ever have dreamt of calling a forest, in such circumstances, a commodity, either negative or positive?

The bulk of the unusual phraseology with which Professor Pantaleoni's book is very abundantly supplied is derived from Jevons's theory of value, as based on the alleged successively diminishing degrees of utility in the commodities we use in accordance with the increase of their supply. The theory has been adopted to an unaccountable extent on the Continent, especially in Austria, and has

¹ The small capitals and italics are Professor Pantaleoni's (footnote, p. 70).

been elaborated by the economists there with true Teutonic industry. In referring to its applications in the present work two remarks must be premised. The first is that it is always possible to express the fact of the relation between the agent and the subject of its action in two ways, either from the point of view of the former or from that of the latter. For example, we might, of course, either say that the Athenians detested tyrants, or that, in Athens, tyrants were regarded as detestable. The ordinary literary instinct will not fail, on the average, to choose the best of these ways in any given circumstances, but the other more round-about and more contorted method is, at the same time, always open. The second is, that what Jevons and his followers mean by utility is, of course, not utility in its ordinary acceptation, in the acceptation, for instance, in which it might stand contrasted with useless and tasteless ornament, or with noxious food. A thing, in the language of the school, possesses utility for any man just in proportion as he wants it. Bad whisky possesses just as much and no more utility for him than bread or meat. This being premised, it will be seen that the phrase "possessing utility" stands to the verb "to want" pretty much in the place of the past participle passive, and might always be rendered by the equivalent of "being wanted." After a man has begun to find that he has got as much as he wants of anything, say of bread, a time will come when he will prefer exchanging it for something else, say beer, to eating it himself. At the same time, he will not be able to exchange it unless he finds some one else who owns beer, and with whom the time has also come when he (the second man) also prefers exchanging some of his beer for some of number one's bread, to using any more of the beer himself. When the exchange is actually made thus, it might always be said with certainty that the degrees of utility of the beer and of the bread for each man had become equal. This degree of their utility is called its "final degree," and the expression "final degree of utility" plays a very important rôle in the system of the pure economists. It is the value set on anything by its owner at the moment when it is exchanged, and so may practically always be rendered into ordinary English by the simple word "value." The use of the phrase is based, as we have seen, on a mere contortion of the meaning of the word "utility;" however, when we know that much, we have a clue which greatly simplifies, for the ordinary reader, the system of pure economics.¹ "The theory of the final degree of utility," we are told, "is now recognized as the pivot of every economic and financial doctrine," and it certainly has obtained a considerable vogue, though, here and there,

¹ Footnote to p. 78.

a practical-minded writer, like Professor Hadley, ventures to say that he cannot see that it throws much light on anything, and still more of them are content to remain in blank ignorance about it altogether.

From the above it may be possible to understand how, by the substitution of the words "final degree of utility" and cognate phraseology for the common words "demand," "value," "cost," and so on, all the commonplaces which every economist has either expressed or taken for granted, since the phenomena of wealth became a subject of scientific interest, may be presented in the light of new and interesting discoveries. It is a very obvious truth, for instance, that "each party to a sale or an exchange, must deem the article which he obtains to be more useful to him than the article he parts with." That is to say, he must want it more. This is expressed in the new phraseology by saying, "Suppose two persons, each possessing a determinate quantity of different commodities, it is necessary that there should be a difference in the comparative degrees of final utility in the commodities in question" before an exchange can be effected. Professor Pantaleoni, in this case, and in a great many others, gives us the popular language and the new phraseology side by side, and tells us, in so many words, that they both mean the same thing. Where, then, can the possible advantage come in of using the latter? If pure economics has nothing more in it than this, it seems about as useful a study as learning to spell every word backwards, or to write from right to left, after the Semitic fashion. The new phraseology, however, it must be said further, seems to be not only useless, but mischievous. We say, in English, that the value of a thing rises when the demand for it increases. The pure economist says that its value rises when the final degree of its utility grows greater. The English expression points to the true cause of the rise in value, a change in the mental attitude of the public in regard to the thing. The new phraseology seems to point to some change in the nature of the thing itself which, as a matter of fact, has not taken place.

Here is a choice specimen of plain English and pure economics placed side by side: "If the demand increases *ceteris paribus* prices rise."¹ This means, says our author, "that if the scale of degrees of utility of successive increments of a commodity changes so that the utility of each increment of commodity for the consumers increases, or, in other words, that the difference in the comparative degrees of utility for them of the commodity and of the price is increased, they must and will pay a larger price than before for equal quantities." With regard to the proposition that increase of supply will lower

¹ Page 165.

prices, Professor Pantaleoni likewise tells us that¹ "this proposition is easily translated into terms of degrees of utility." Very likely it is, but I will spare the readers of the *Economic Review*.

It may thus be seen how, by this process of "translation," the tritest commonplaces can shine forth as new and important economic laws. Professor Pantaleoni is most conscientiously concerned, in every case, to give his full meed of credit to the supposed discoverer. The fact that things that serve the same purpose compete with each other, as, for instance, that railways compete with canals and horse traffic, when duly translated, appears as Augustin Cournot's law of "Economic Equivalents." With regard to the fact that everything that can be called wealth has both a value in use and a value in exchange, and that sometimes its value in use will be the greater of the two, and at others its value in exchange, we are gravely told that² "Menger recognizes in this phenomenon a law of the displacement of the barycentrum of value or of the final degree of utility."

In the closing chapters, from p. 220 to the end, in which Professor Pantaleoni attempts "an application of the general theory of value to determinate categories of commodities" a change comes over the whole character of the book. Professor Pantaleoni does not, indeed, except here and there spasmodically, attempt any application of the new theories or the new phraseology at all, but writes a treatise on applied economics much as any one who had never heard of final degrees of utility might write it. Gossen, Jennings, Menger, etc., to a great extent vanish from the footnotes, and the true masters of the science, such as Mill, and Cairnes, and Bagehot, men who never expressed in contorted phraseology anything that could be expressed in simple language, in a measure take their place. In this part of the book, if there is little that is original, there is much that is both judicious and acute. On the value of money, indeed,—the crux of economics *par excellence*—the writer merely reproduces the quantitative theory in its crudest form. His criticism of the Ricardian theory of rent, however, and his exposition of the wage fund-theory, have so much in them that is well worthy of attention as to make one vividly regret the waste of useful energies involved in the barren disquisitions of the earlier part of the volume.

WILLIAM WARREND CARLILE.

THE LIFE OF FRANCIS PLACE. By GRAHAM WALLAS, M.A.
[415 pp. 8vo. 12s. Longmans. London, 1898.]

In this book Mr. Wallas has made a fruitful and industrious advance into a vein of history which hitherto has been rather inadequately

¹ Page 188.

² Page 215.

worked. No period of English Radicalism is so important as that which includes the London Corresponding Society and the Anti-Corn-Law League ; and in all those movements and agitations which within these years created the beginnings of industrial democracy, Francis Place was either an active helper or an originating and directing force. He may even be called the founder of the Radical party in Parliament, for it was he who first applied to English politics the political organization and method necessary in a large democracy to the formation and assertion of the popular will. There could not have been found a fitter instrument for the work.

Place was born the son of a tavern-keeper, in 1771, and began life as a journeyman leather breeches maker. In 1793 the journeymen of his trade struck for higher wages, and the extract here given from Place's autobiography is the earliest account of a strike written from the inside. The crisis called him to the front of the union, the funds being placed almost entirely under his control ; and when, after a short time, the venture collapsed, his work was boycotted by the masters throughout the trade. The boycott was presently removed ; but after the dismal and sordid misery of the intervening months Place resolved to use all his efforts towards becoming a master tailor, and he pursued his ambition with consummate tenacity and resourcefulness. In 1801 he had established enough credit with the cloth dealers to set up an independent business in Charing Cross ; and some fifteen years afterwards he retired on an income of about £1100 a year. It is a fairly common thing to rise from indigence to wealth ; but they are few who contrive, like Place, "to get money, and yet to avoid entertaining a money-getting spirit." The ingrained superiority of his nature showed itself not only in a careful abstinence from "anything which might prospectively debase me in my own opinion," but also in the pains he took to fit himself for intellectual society by reading widely and thinking doggedly. When, in 1812, he was admitted to the inner circle of Bentham's acquaintance, he knew something of the French philosophers, was well versed in Locke and Hume, and had acquired a close interest in political economy. He devoted to politics the whole fruit of his long and severe discipline of life—a clear, shrewd, intrepid mind, a great organizing ability, a driving will, vast social knowledge, and a passionate contempt for everything Whiggish and half-way. It was a part of his system and evidence of his entire disinterestedness that he kept himself carefully out of public notice—so carefully, in fact, that for our generation Mr. Wallas has almost discovered him. But there was plenty of material for this biography in the Place manuscripts at the British Museum—a large collection of

diaries, reminiscences, books, pamphlets, and memoranda,—and it has been used with admirable care, judgment, and sympathy. Moreover, Place has been constantly allowed to tell his own tale, with the result that we read a considerable amount of history at first hand.

Before the Reform Bill, the constituency of Westminster, returning two members to Parliament, embraced the greater part of London outside the City, and consisted of all householders paying scot and lot. It was therefore a good subject for an experiment in democracy. Fox rescued it in 1780 from the control of the Dean and Chapter; and thenceforward there was an arrangement between the parties that it should return one Whig and one Tory. Place's "call" to electoral work seems to have come to him on the occasion of Lord Percy's candidature in 1806, when he watched from his window "the electors of Westminster" scrambling for bread and beer before the Duke of Northumberland's house. The passage referring to this incident deserves to become a *locus classicus* on the subject of pre-Reform elections. The next year Parliament was dissolved; and a small knot of Westminster tradesmen, of whom Place was chief, forming a committee, and thoroughly canvassing the division on principles of "no bribery, no paying of rates, no treating, no cockades, no constables," placed two independent candidates—Sir Francis Burdett and Lord Cochrane—at the head of the poll. The work thus begun was perfected at the by-election of 1819, when the constituency was permanently organized on a system of federated parishes; and for many years the agitations of Westminster were watched by the Government and the parties as a constant index of lower and middle-class opinion.

Place directed the whole machine, and, moreover, was so frequent and peremptory in his instructions to the members themselves, that they were often taunted across the floor of the House about being "under surveillance." The library at the back of his shop became a regular political laboratory, where scores of projects were designed and discussed, and Members of Parliament came to be educated. The repeal of the Combination Laws and the career of Joseph Hume is a sufficient testimony to Place's success as a schoolmaster. All this experience in the mechanism of popular politics had, in fact, made him a unique authority on a large class of questions. He was the only man in England who had a real knowledge of democracy, who knew what universal suffrage meant. He had convinced himself that the fear of the people using their power to excess was unfounded, and he looked forward to Reform in a spirit of sane and courageous optimism. "In spite of the demoralizing influence of many of our laws, and in spite of the poor-laws, it has impressed the morals and

manners, and elevated the character of the working classes . . . and why ? Why, but for the fact that the people have an object, the pursuit of which gives them importance in their own eyes. In every place as Reform has advanced drunkenness has retreated, and you may assume that a cause which can operate so powerfully to produce such a change is capable of producing almost anything." It is natural that, generalizing from his own story of self-help, and finding confirmation at the feet of Bentham, he should be a pronounced Individualist ; but he believed the only radical and practical solution of the social problem was that suggested by Malthus, and on this subject, in spite of the odium it excited among working men, he was always aggressive and intolerant. He seems to have valued political democracy mainly as tending indirectly, through "the diffusion of knowledge and self-respect," to act as a check on population.

During Place's life there were four distinct movements for a wider and safer suffrage. The first was before the French Revolution, when the middle and lower classes were combined, the organ of lower class agitation being the London Corresponding Society. It was crushed by the Pitt and Greville Acts, and the effect of the excesses in France. The second movement was Cobbett's agitation from 1816 to 1819, which appealed to the working classes alone, and ended in Peterloo and the Six Acts. Whigs and people were again at one in 1832 ; but, from 1834 to 1840, Chartist brought the country to the verge of a class war. Place's attitude in each instance was based on a conviction that "the working people, unaided by the middle classes, never had accomplished any national movement." When a young man, and an influential member of the London Corresponding Society, he had urged on that body a policy of quiet education, just as he afterwards tried to form a "moral force" party within Chartist itself.

The most interesting chapters of this book are those which deal with the agitation for the Reform Bill ; and Place's signal service throughout that crisis was to keep firm the alliance between the excluded classes. The situation was extremely difficult. On the one hand the Whigs were by no means stalwart, and needed continually to be screwed to the sticking point, and frightened out of compromise with the Lords. On the other hand, a movement for social revolution was already afoot among the working men of London, and had grown to considerable strength in the North. The propaganda started by Owen in 1817 had fallen under the control of Thomas Hodgskin, the real father of the surplus value theory, and developed into the "National Union of the Working Classes," and the gospel of "Ricardian Socialism," afterwards more effectually preached by Marx. The

"Rotundanists," as the members of the union were called after their place of meeting in Blackfriars' Bridge Road, refused to give any support to the Reform Bill, in the deliberate hope of producing a revolution. Place was obliged to wage "war on two fronts." After the rejection of the Bill in October, 1831, he organized, in conjunction with Perry, Roebuck, and a few others, the "National Political Union," drawn in equal proportion from the middle and lower classes, and stringently weeded of Rotundanists. The professed object of the new union carefully excluded a mention of universal suffrage, and, for this reason, its birth was troubled and laborious; but, in 1832, it became the chief medium of agitation in London. Mr. Wallas's pages are full of excitement when he comes to the "eleven days." Had the Duke of Wellington taken office after the Bill was once more defeated, on May 7th, the standard of revolt was to have been raised in Birmingham, every town in England was to be barricaded, and the families of Tory Peers were to be seized as hostages. The regular army numbered only 11,000 men, of whom 7000 were concentrated round London, and it was arranged that they should have sufficient work to prevent them moving into the Midlands. Place, however, had more faith in peaceful means. On May 12th he issued the famous placard, "To stop the Duke go for Gold." In a few days there was not £5,000,000 in specie at the Bank of England, and, on May 18th, the Duke was brought to his knees. What further aided the result was the judgment and audacity with which Place advertised the whole extent of the conspiracy. It would even appear that Hobhouse, then Secretary for War, as well as Lord Durham, Lord Privy Seal, were concerned in the military preparations, though Mr. Wallas's evidence is not overwhelming.

It has been impossible to indicate the whole bulk of valuable history which lies within the covers of this book. Of very great interest are the several personal notices of remarkable men connected with the forward movement—Thomas Spence, Major Cartwright, Godwin, Lovett, the Benthamites, and others. There is a good account of the Lancastrian Associations for free and universal education. Mr. Wallas has manipulated an immense mass of facts with ease and success, and, though his sentences are loaded with research, they are never found to drag.

A. M. D. HUGHES.

NEO-MALTHUSIANISM. By R. USHER. [328 pp. Crown 8vo.
Gibbings. London, 1898.]

It is doubtful if a more delicate and intricate set of questions could possibly be mooted than those which are disposed of by Mr. Ussher in

this book. The qualifications necessary for an adequate handling of them in one volume of little more than three hundred pages it would not be easy to enumerate. Perhaps first in importance would be a sense of the need of evidence for any strong or sweeping statements. But Mr. Ussher indulges in rhetoric just where the reader requires argument, and as he apparently starts with the conviction that artificial checks to increase of population are the cause of *all* the social evils of the day, it may be imagined how grievously the reverse of judicial is his treatment of the subject. Thus we find the most ludicrous generalizations unsupported by a single fact, and written evidently with no idea in the writer's mind of the nature of the question he is raising.

To take one page alone (309), in a chapter on Temperance and Neo-Malthusianism, though the writer makes no attempt to establish any connexion between the two, we read, "Honesty, it is said, is impossible to be met with either in the individual or the mart." It would be interesting to know the author of this remarkable saying. Again : "Clerks, traders, merchants, *et hoc genus omne*, tell us that honest trading has ceased to exist; everybody cheats and everybody is cheated." The book also contains a farrago of quotations on all social topics, and whatever is found to be going wrong in any European state is vaguely ascribed to Neo-Malthusianism. The writers laid under contribution are far too numerous to indicate fully. I notice the following strange assortment of authorities among scores of names : Mrs. Besant, Canon Gore, Buddha, *Uncle Tom's Cabin*, Montesquieu, and Professor Heron of Iowa. It must, in short, be said, that in spite of much honest indignation against evil, and a great deal of labour expended on making extracts from other writers, the book is rendered valueless by want of logical arrangement, of judicial statement, and grasp of the main point of each question, especially when the point is a moral one.

The subject may be treated from the economic and the moral point of view, and under the first head would come a careful discussion on the effect of the rapid increase of population in England during this century till 1880, its relation to the increase of wealth, its connexion with trade and emigration, etc. Some of these aspects of the problem are receiving attention at the present time, but there still remains much haziness of opinion and want of sound principle on the moral side of the question, on which a few suggestions may be offered, and on which little or nothing has been written except for the promulgation of crude doctrines borrowed from France and unhappily welcomed widely in this country.

There are at least four main considerations which have to be borne

in mind at once. First, the apparently increasing suffering which among the most highly educated women attends childbirth—suffering which not unfrequently leaves the brain-power impaired. Secondly, the evils which attend imprudent marriages among the working classes. Thirdly, those which result from the postponement of marriage ; and fourthly, the difficulty in the way of abstinence from sexual intercourse after marriage. The intricacy of the question is obvious enough when these considerations have been stated ; and, to make matters worse, there has been in the past a great disinclination on the part of Churchmen to speak decidedly on the subject—the prevailing view among the more religious part of the community presumably being simply that stated by Mr. Ussher, but not corroborated with any reasoning, viz. that the larger every family is the better for all concerned. Hence the soil was prepared about twenty years ago for the reception of any teaching which professed to meet that which appeared to be a great social danger, namely, the increase of population. The teaching which was given was called, very incorrectly, Neo-Malthusianism.

We are now face to face with a general and probably increasing use of artificial preventives of conception, resulting in a formidable check to population, which is causing alarm among many patriotic people. Certain it is that the precise effects of a continued increase of population, such as that noted from 1850 to 1875 (circ.), have not been accurately gauged ; but be they what they may, no student of human nature can possibly contemplate the present condition of the French nation without grave misgiving, when he knows that matrimonial practices long prevalent in that country are now being imitated in England. It is not the check to population which is so serious, as the moral effect of the means adopted to secure it. The first might, for many years at least, be considered a debatable evil. There can be no question about the second. A very little reflection shows that any teaching about the married state which disconnects it from the law of self-control must be unspeakably pernicious, and not only, though perhaps chiefly, to married people, but to young men who cannot marry. Indeed, before ever this question came up in its present form, grievous harm was done by the omission of any sound, clear presentation of the ethical laws which ought to regulate married life. It was commonly assumed among bachelors that the trials of continence ended as soon as marriage began ; and this belief, desperately erroneous though it obviously was, gave a sort of excuse to pre-matrimonial indulgence, and certainly added difficulties where quite enough existed already. But if the old *unmoral* view of marriage did harm, the modern *immoral* view must do far more harm, and this

is one result of the voice of the Church being silent on this grave question, and so leaving the field open to perversely enthusiastic theorists who have not been slow in taking advantage of the opportunity.

On the other hand, quite apart from considerations as to the importance of large families to the country, there are reasons, wholly ignored by Mr. Ussher, for maintaining that the old-fashioned orthodox view, of the advisability of men marrying young and becoming fathers of many children, is one which must in our days be largely qualified. Granting to the full that maternity is woman's noblest sphere of duty, yet it cannot be held that a continuous disablement for other duties, both inside and outside of the house, is an ideal state of things for any wife. Enormously increased demands are nowadays made upon educated married women, and even if we deem these excessive, few would go so far as to echo Mr. Ussher's confident assertion, "Women's greatest attraction ought to be their helplessness;" the truth being that the helplessness which belongs to an annually recurring confinement extends, in most cases, not only to the modern social activities of women, but to the plain duties she owes to her husband, her children, and the servants, or, in a less wealthy position, to the claims upon her of helping to make ends meet. It is surely incontestable that thousands of homes have been deprived of the orderly peacefulness of the mother's control and influence simply because of the frequency of child-bearing, which has left her no energy nor time for other things. And whatever the reason may be, the number of educated women who can answer these necessary claims amid frequent confinements is apparently less than it was; or, to put it differently, it may be that while child-bearing is more disabling to the mother than was formerly the case, the standard set before her of the necessary home duties is higher than ever. So it is futile to rail against modern ideas of women's duties; some at least of these ideas are perfectly wholesome: but meantime married women are for the most part physically less able than formerly to fulfil them, unless there is a diminution in the number of children they are required to bear. This seems a fair statement of the question, even granting that such a plea might often be used by married people illegitimately; that is to say, from a timid wish to escape responsibilities. It is quite true that no married woman knows what she can do till she tries, but it is equally true that a great many have had burdens laid upon them too heavy to bear, and that the home-life has suffered in consequence.

There is further the consideration of income. It is probably true that the constant pressure on the means of subsistence, and the difficulty

of finding employment at home for young men of good station and small means, have been in the past leading factors in the expansion of England. Moreover, it may well be maintained that there are symptoms of a growing fear of self-sacrifice and effort, which prompts towards restriction of the number of children so as to ensure a comfortable income and a maintenance of social position without serious struggle. If this be so, it may at once be granted that a decadence of English life has set in. But in making this admission, care must be taken to separate the economic from the moral considerations. It is only with the latter that we are here concerned ; and it should be recognized that a deliberate restriction of families, however brought about, to two or three children, if made solely from a wish to avoid risk of diminished comfort or social status, is a concession to the idea that the purpose of life can be fulfilled without sacrifice, and from this concession sooner or later disaster must result. It is the outcome of a creed redolent of strictly secular calculation ; a creed, moreover, which logically would lead to the most pernicious practices in the way of artificial restriction. But, on the other hand, the contrary course is not unlikely to be productive of evils which, if not so deadly and insidious, are undeniably very lamentable. It cannot be right that many clergymen, for instance, should depend entirely on charitable institutions for the education of their children, and that the only ground of the appeal that is made should be the insufficiency of the small earnings to support a family of eight, ten, or twelve. We need not shut our eyes to the large amount of simple heroism which has been and is evoked by the harassing trials consequent on such a state of things, and indeed it may be conceded that improvident procreation is on the whole a less dangerous evil than a too prudent restriction. Still, there must be a good deal of wrongheadedness on this subject, as long as a man can calculate on touching philanthropic hearts by a bare statement of his income and the number of his children, as if the latter were a circumstance wholly beyond his control.

Hence, after all due reservations have been made, we are forced to the conclusion that from one or both of two reasons it is often advisable, and sometimes absolutely necessary, that the number of children be limited. Either the wife's health may require it, or the risk of having to appeal to charity may make it the only right course to pursue. If this be granted, the practical side of the problem comes to the fore. Can there be any such restriction without a total marring of the completeness of married life ?

At this point all sorts of considerations, moral, physiological, and psychological, complicate the question, so that its full treatment,

besides being unfitted for a public magazine, would require more space than can be allowed here. Nevertheless, a broad indication of the only fair answer to the above question may be given.

First, then, all use of artificial checks which allow of self-indulgence, and, for a time at least, dissociate from it its natural consequences, must be put on one side as unworthy of serious discussion. At the same time it must be remembered that among high-principled people there is much hesitation of opinion on the subject. It is very doubtful if any really honest and quite unbiased examination of the question would allow of anything but unqualified condemnation of the practices learnt from France; and very often natural instinct is a sufficient safeguard. But where it is not, definite teaching is required, and ought to be given. As far as is known it very seldom is, and the gravity of the situation is much enhanced by this omission. And the fact is all the more deplorable in that no one set of men have anything comparable to the chance that is nowadays given to doctors, of attacking a great social evil.

Granting, then, that the attempt to evade the lawful consequences of conjugal intercourse is not to be approved of, and seeing further that Providence has committed the control of the number of their children to each married couple, the only remaining inference is, that where restriction is necessary it should be secured by self-control, the issue of a complete and harmonious agreement between husband and wife. There are legitimate qualifications of this bare statement such as any doctor could indicate; and, above all, it is on doctors that we have largely to depend for the vigorous combating of the detestable notion that such a course of action as this is inconsistent with the claims of health. The medical profession, it should be remembered, are at a permanent disadvantage in any question of this kind, owing to their disproportionate familiarity with cases which are somewhat abnormal or somewhat diseased, and their consequent difficulty in appreciating what is physically possible for men and women of sound bodies and minds. This accounts for the pessimistic tone too frequently adopted by doctors with most disastrous effect on this question, and on the kindred one referring to pre-matrimonial continence and its relation to health. In both cases the thoroughly healthy, who submit themselves voluntarily to the great law of self-restraint, are just those who do not need to seek for medical aid; and it is most difficult for a medical adviser to keep his mind set to a large, luminous, and well-balanced view of this intricate question, when one half of the necessary facts are withheld from him. Still, it remains true that doctors have an unique opportunity of guiding aright, not only public opinion, but individual practice,

in a matter with which the future of the country is intimately concerned.

But when all is said, the ultimate issue of this practical question does not rest with any one profession, nor is it possible that any one set of recommendations or exposition of principles will really determine it. No undertaking could be more hopeless than to insist on the sacred laws of self-control to a man of about twenty-five or thirty years of age whose life has up to that point been strange to its influence. Whatever words any one uses will fall idly on his ears. Nor, again, is it conceivable that any teaching then given will move him, unless it agrees with his general previously formed idea of the married state and the claims on men which the weakness of women allow them justly to advance. While things are in their present critical state, let every endeavour be made by those who can speak fairly and squarely to responsible men with any chance of being listened to. But in the main the supremely right or supremely wrong decision will be made according to the selfishness or unselfishness that reigns within the heart ; and that depends, as far as it can be said to depend on anything human, on the training in the home during the early years of life.

E. LYTTELTON.

OUR TRADE IN THE WORLD, IN RELATION TO FOREIGN COMPETITION, 1885-1895. By WILLIAM S. H. GASTRELL.
[204 pp. 8vo. Chapman and Hall. London, 1897.]

This book consists largely of examination of statistics ; and the deductions which are drawn from them as to the state of our commercial supremacy are such as one is loth to accept, though alarmist language is carefully avoided. Mr. Gastrell's experience as commercial attaché, and the thorough practical grasp of the subject shown in the chapters which do not contain figures, give a tacit guarantee that he is qualified to illuminate and not befog the inquiry by handling statistics ; and his suggestions for cure are practical, and their necessity clearly brought out.

The component parts upon which a national trade is founded are (1) education, (2) production, (3) and distribution. Mr. Gastrell deals mainly with the latter, and his teaching is practically this : that even if the British merchant can produce better articles at almost as cheap a cost as the inferior ones supplied by his rivals, he will still lose his markets if he persists in his present sluggish and haughty policy. This is tersely shown, and abundantly illustrated by figures and quotations from speeches and consular reports. Putting aside carrying trade, both our trade, import and export, with foreign countries,

and our colonial trade, are in a serious position ; and for this the responsibility rests with ourselves, with our attitude towards customers, and our lack of up-to-dateness in scientific methods of production. "As regards technical education, it has been estimated that at most some £5,000 a year is expended in England on chemical research in connection with metals ; whereas in Germany there are firms in the coal-tar industry, for instance, that have very large numbers of chemists in their private employment experimenting and improving methods. One of these firms is said to expend £50,000 a year merely in its research department" (p. 34).

As to the other point, our attitude towards customers, Mr. Gastrell points out the practical monopoly which our rivals enjoy of smart advertising, especially by commercial travellers speaking the language of the country, making their offers in the currency and weights familiar to the customer ; the refusal of English firms to take small orders, or make exactly the thing wanted. After all, the customer, if not the best, is the legitimate judge of what he wants. In fact, our merchants take up the attitude, "Let the customer seek the goods," while other nations act on the opposite plan, "The goods must seek the customer ;" and the result is deplorable. Even if it were admitted that British goods were universally of better quality, yet clever pushing and superficial smartness would have to be reckoned with ; but when it becomes a battle between equals for custom—and in fact other nations tend now to equal our goods, at least in the customers' opinion—then details such as courtesy, careful packing, and so on, turn the scale.

One recommendation of Mr. Gastrell's is at least doubtful, namely, the advisability of producing inferior articles to suit the customer's pocket. It is assumed that British goods are more expensive, and here we really touch on the question of production ; but, rather than lower our reputation for supplying the best quality, would it not be better to make concessions in the direction of longer credit, if the customer reckons to pay for the goods out of their sale-money or by their use ? By a little extra trouble, and by adopting a little less lordly attitude to those whose custom we must attract, this might be done ; German and American firms do it, especially with regard to machinery. But, to go deeper, are we quite sure that it is impossible for us to produce articles still of superior quality, but not more expensive ? What is the attitude of a typical British firm when trade is menaced by foreign competition ? Can it fairly be said that it strains every nerve to meet that competition, by the introduction of the most modern machinery, by careful economy, by diligent advertisement and courtesy to customers ? This book shows clearly that it is not

the difference between the hours and wages of workmen here and abroad which is to blame, but quite as much the lack of initiative and adaptive energy of the merchant. One can have but little sympathy with those who take up the attitude, "We are not going to keep up with the times. We expect our profit, so labour must be cheapened."

The arguments which won shorter hours and better paid labour for workmen, and the now recognized right to work under conditions which make it possible to live a fully developed human life, remind us that, after all, industrial questions are but relative to greater ones. The greatness of England depends upon the men whom she can breed and rear ; British supremacy in every direction depends upon British character. To one who holds this, the first two foundations of trade, education and production, become more important than distribution ; and by keeping in mind, in discussions upon trade, that question to which trade itself is but a relative consideration, the development of character, we are safeguarded from proposing remedies for the smaller question which would be detrimental to our ultimate interest. For instance, working longer hours would be helpful to trade, but harmful to character. There is one part of trade, the development of virgin resources, to which the English character seems specially adapted ; there its vigour is seen in its best form, quickening also by their use its own faculties of energy and resourcefulness. From this book it seems that the trade thus created does not stay in our hands, despite the loyalty of these pioneers. There is still much of this work to do, which only Englishmen can do, in the world ; if only our merchants can supplement this pioneer vigour with a little more quickness and adaptiveness, we need have little fear for the future of the British Empire.

P. S. WADDY.

POLITICAL CRIME. By LOUIS PROAL. [355 pp. 8vo. 6s. Fisher Unwin. London, 1898.]

Let the name of the book be remembered and its place as No. iv. in a "Criminology Series," and no one will be surprised to hear that it contains the record of many gloomy events. It must be owned that, by the time we get to chap. iv., on "Political Hatreds," we are almost prepared to echo the author's question, "Is it indeed kindness that lies at the bottom of the heart of man ? One is inclined to have doubts, etc." Nevertheless M. Proal is neither a cynic nor a pessimist, but a Frenchman of the nineteenth century, who loves his country, whose profession as a judge has given him opportunity for observing the sickness of his people, and whose Christian faith persuades him

that he knows the remedy. For although he is taking a general survey of political principles and their results, and his examples are drawn from the history of various lands, especially of England and of ancient Greece and Rome, yet, as is natural and right, it is mostly at France that he is looking ; his heart is in France, and his desire for her. He quotes Littré as saying, "With us everything prospers, with the exception of our political organization, which, blundering, bad, or senseless, robs us periodically of all our advantages ;" but he goes on, "The political question, just as the social question, is, above all, a moral question. . . . The art of governing has been disfigured by a great number of false maxims, which have made of it the art of lying and deceiving, the art of proscribing and despoiling, under a cloak of legality. It is these sophisms that I propose to combat." The writer, therefore, has no mere scientific interest in human depravity. "In relating the crimes committed by political systems based on craft and violence, my object has been to prove by facts that a loyal and honest policy is the only great policy ; that politics, where they part company with morality, are demeaned, to begin with, and degenerate as well into a matter of adventures and shifts." But for an honest policy there be two requisites—worthy men, and motives strong enough to sustain their worthiness amidst the perils of power. "As Tacitus has said, 'There are no better instruments of good government than good men.' And without going as far as Plato," M. Proal adds, "I believe that power can only be wielded worthily by those who have some inkling of philosophy, and who possess principles inspired by some form of religious belief."

The curse of politics has been Machiavellism—"the immoral theory of the paramount importance of reasons of State" (p. 12). Not that Machiavelli invented the theory ; "all he did was to relate what he saw being done by the politicians of his time." His crime is "to have explained, without blaming it, a policy based on violence and treachery."

The book proceeds to illustrate in detail—one feels sometimes in excessive detail—how "the public safety," or "the interest of the State," has served as plea for wrecking half the Commandments. This has supplied excuse for tyrants to murder subjects, and for subjects to murder tyrants (ch. ii.) ; it has been, short of murder, the spring of unbridled hatred (ch. iv.) ; the cloak for the vilest falsehood and treachery (ch. v.) ; and the pretext for merciless robbery (ch. vi.). The effect upon the personal character of agents themselves—of such inspiration issuing in such conduct—is what might be expected ; and chaps. vii. and x. describe the result both upon governors and governed. Three chapters stand somewhat by

themselves. Chap. viii. shows the breakdown of the hopes once entertained "that universal suffrage would make corruption impossible." Chap. ix. deals with the influence of politics upon the judicature. "Politicians look askance at, and Governments have always complained of the independence of the magistracy." In France, as in England, there have been failures enough of justice. Nevertheless the author is able to say of his own order in France that, in earlier times, "taken as a whole, it was upright and independent, in spite of the pressure brought to bear upon it by the Government;" and, more recently, "the fact that all parties when in power have accused the magistracy of sympathizing with the fallen régimes, is proof of its independence." Chap. iii., on "Anarchism," is one of the most interesting, both for its picture of a type of mind comparatively scarce in England, and also for its notices of the author's own personal contact on the bench with these criminal victims of false doctrine; for "all Anarchists are atheists and materialists" (p. 84).

After such exposure of the evil in man and the abominations of politics, we admire a writer who, far from becoming misanthropist and abstentionist, calls us to serve suffering man, and especially to serve in office. He indignantly repudiates La Bruyère's utterance, who, after a like review of the world, says, "The only man I esteem more highly than a great statesman, is him who refrains from becoming one, and who is ever strengthening himself in the conviction that the world does not deserve that one should occupy himself with it" (p. 278). Such a sentiment, he finely answers, is not worthy of a Christian. "Humanity, I allow, is not always engaging; it has its ugly aspects, but it has its noble aspects as well. Moreover, if it be often guilty, it is always unhappy, and its misfortunes, by inspiring compassion, should awaken at the same time a spirit of devotion."

The last chapter tells his hope. The disease of society is moral rather than political or economical. And morals are to be purified mainly through religion. "Hostility to religion is contrary to sound politics;" there speaks the modern French Christian. And he goes on, amidst materialism and Nihilism, Christianity "inculcates the dignity of human nature and the obligatory character of duty, and the worship of an ideal as against the worship of the golden calf" (p. 350). Amidst the struggle for life and the rule of might, it teaches self-sacrifice, respect and love for the poor; and, "at a period in which Socialism, grown more and more threatening, demands that the State should be omnipotent, Christianity again performs a useful task in standing out for the rights of the human being and the rights of the conscience, and in setting limits to the action of the State."

J. O. NASH.

THE MONETARY SITUATION IN 1897. By G. M. BOISSEVAIN.

Translated from the Dutch. [94 pp. 8vo. 2s. Macmillan. London, 1897.]

It is perhaps an advantage to look back on the monetary situation of 1897 from the point of view of 1898. Not that things have very materially changed since then, but time is the best critic of alarmist opinions, and Mr. Boissevain is an alarmist. He divides his work into three parts, but the same tone prevails throughout. The first deals with the Presidential Election in the United States in 1896. Though probably he does not exaggerate, he certainly does not appear to minimize the harm which would have followed a victory for the silver party, as the following quotation will show : "A disastrous financial crisis would have resulted from this election, public credit would have been shaken to its very foundations, and the whole commercial machinery would have been thrown out of gear." He agrees with Mr. Bryan in his desire to establish the double standard, but holds that this could not be effected by the action of the United States alone.

The next section deals with the situation in Europe, which is painted in the most gloomy colours. The motto of the book—a quotation from M. Hanotaux—is that the work of civilization has been the displacement of walls that keep apart by roads which bring together and unite. Monetary dualism—by which we are expected to understand the difference between gold-using and silver-using countries—is one of these barriers which keep nations apart and impede the evolution of commerce. In the effort to overcome this barrier by the adoption of the gold standard, by those countries which do not already use it, he only sees an additional danger. That Russia, Austria, and Japan should seek to establish a gold standard is, in his opinion, a retrograde movement. It will only increase the already excessive premium on gold, and thus intensify rather than mitigate the evils from which we suffer. His reason for this conclusion is that the existing stock of gold is insufficient for present needs, and there is no likelihood of the supply being materially increased. The position of the great banks is examined, and shown to be most unfavourable. This is where Mr. Boissevain's pessimism comes in. Any action which would increase the demand for gold would force it to an even higher premium, and there is no apparent prospect of an increased gold supply to meet that demand. It is too soon, of course, to use Klondike as a serious argument, still we are not needlessly rash in believing that the limits of the world's gold supply have not yet been reached.

The third part deals with international bimetallism, which we are

asked to believe is the only possible remedy. England, of course, blocks the way, and this causes Mr. Boissevain considerable uneasiness. However, he is sanguine enough to believe that even without the co-operation of England international bimetallism would be possible, though he admits that it would be difficult. He assures us, at the same time, that our commercial prosperity is not due to our maintenance of the gold standard, and that, if we only knew it, we should gain more than any other nation by the adoption of the double standard.

The most practical—but I am afraid I must call it the most unpractical—suggestion in the book is that of a new kind of monetary conference. Delegates are to be sent from the governments of the different countries, with powers to draw up an international agreement, without binding in any way the governments they represent. But there is this provision: all the delegates at such a conference are to be avowed advocates of bimetallism. Such a suggestion is Arcadian in its simplicity. A great many questions could be settled in that way. If the danger of delay is really as serious as Mr. Boissevain says, he might have held out some more immediate prospect of a solution.

However, the book is really most interesting, and much of its criticism is very valuable. Though an alarmist, Mr. Boissevain is not an extremist. He is alive to the difficulties of the questions, and, what is most refreshing in a bimetallic, he is not intolerant of the opinions of those with whom he does not agree.

W. A. CUNNINGHAM-CRAIG.

THE SCHOLAR AND THE STATE, AND OTHER ORATIONS
AND ADDRESSES. By HENRY CODMAN POTTER, D.D.,
LL.D., Bishop of New York. [335 pp. 8vo. The Century Co.
New York, 1898.]

This is a volume of essays and addresses upon social subjects. Some of them are Magazine articles, others are discourses upon some special occasion—a National Anniversary, a commemoration of a distinguished citizen, a College Centenary, and the like. They are eloquent and stimulating as Orations, eminently relevant to the occasion, and yet each of them is made an impressive embodiment of some great ethical or political truth of much more than temporary or local interest. They seem pervaded by a profound consciousness of the weaker sides of American life (I do not of course mean to suggest that our own social disorders are not at least as grave)—its political corruption, the low tone of—I will not say its political life—but at all events its professional political life, the absorption in money-making.

They are written with the earnestness and sense of responsibility of one who is himself deeply engrossed in the struggle against these things, but who believes in the ultimate triumph of his cause. The perusal of these volumes would indeed be eminently calculated to reassure every one who was inclined to despair of the moral and intellectual future of the States. It will suggest to him that there are two main sources to which we must look for the introduction of a higher tone in American politics and American business life; each of them has already done much in this direction—I mean the Churches and the Universities. These discourses, given and listened to by representative gatherings on great public occasions by perhaps the most influential of American Bishops, are a sufficient indication of the fact that the Churches—at least the Church to which the Bishop belongs—are realizing their social and political mission, while the burden of several of the essays is that the cure for many of the evils in question is to be found in the growth of a class of real students, in an enthusiasm for not too immediately useful knowledge within the Universities themselves, and in the increasing influence upon social and political life of University graduates. The Bishop does not deal much with difficult or disputed social problems. He is mostly concerned with teaching very simple social lessons—the importance of "character in statesmanship," the social importance of science and learning, the need of personal service rather than money gifts in philanthropy, the duty of moderate living and wise spending in the rich, the possibility of "nobility in business." Few of them are actual sermons, yet most of them might have been sermons. We can only say, would that we had more such preaching!

H. RASHDALL.

J. S. MILL'S LEHRE VOM WERT, PREIS UND DER BODENRENTE. By DR. FRIEDRICH KRIEGEL. [72 pp. 8vo. 1 mark, 60 pf. Puttkammer and Mühlbrecht. Berlin, 1897.]

Dr. Kriegel has carefully and mechanically gone through Mill's *Political Economy* in order to find inconsistencies in his doctrines of Value, Price, and Rent. The task is not a difficult one, especially if one brings into play a great deal of painful literalness and a strict disregard for context; and Dr. Kriegel has, according to his own lights, succeeded very well. There is no doubt that Mill in his *Economy*, as in his *Logic*, is really unsystematic. He is continually shifting his point of view: at one moment he is engaged in analyzing the ultimate factors of production generally; at another, ostensibly still continuing the same discussion, he glides into a description of

industrial society as at present organized. Between describing labour and describing wages as the chief element in cost of production the difference in standpoint is wide indeed ; Mill serenely sails on from one to the other, with hardly a hint to mark the transition. He draws no clear line between the "subjective" psychological and physiological determination of value generally, a task belonging to the philosophical analysis of economics, and the "objective" actual and historical determination of value in the commercial world. In the one case it is the nature of man and of objects that determines value : in the other, the determinant factor is the market and the money system.

On the other hand, it must be remembered that Mill's inconsistency is, in a sense, one of his greatest merits. Many of his most valuable and suggestive remarks are those that fit in least well with the orthodox scheme on which he supposed himself to base his economics. Mill is always sensible, provided we do not shut our eyes to the particular drift of his argument at any moment, and do not press for rigid conformity to previous definitions ; he sees many aspects of things which would have been hidden from him if he had kept to a system remote from all fact, and with no merit beyond consistency.

A good deal of Dr. Kriegel's criticism is intelligent, also obvious. Some is still more obviously unintelligent. When Mill talks of objects being exchanged in proportion to the amount of labour they contain, Dr. Kriegel embarks on a long argument to the effect that different quantities of goods do exchange for one another. But different quantities of goods imply different amounts of labour (!), therefore, says Dr. Kriegel, goods do not exchange in the proportion of the labour spent on them. What he means by "different quantity" it is hard to say ; as far as one can discover, two pairs of shoes and one pair of boots are, in his view, different quantities, and "therefore naturally" represent different amounts of labour ! Talking of capital, Mill makes the remark that food, clothes, etc., last longer than the time in which they are produced, and that this fact permits the accumulation of capital. Dr. Kriegel hereupon seriously remarks that, as the product of the baker's work only lasts a day, he would, according to Mill, never be able to acquire capital. Dr. Kriegel's style is scholastic German of the worst type. His book is not readable, and there is no particular reason why anybody should read it.

L. S. AMERY.

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